



2017

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Consolidated Management Report

1. Consolidated statement for financial year 2017

In general, Heliad Equity Partners GmbH & Co. KGaA (hereinafter: "Heliad") was able to maintain a stable portfolio during the past financial year. In a market environment characterized by turbulent market movements, Heliad performed well and achieved very good results, both in the separate financial statement of the parent company and at group level.

The parent company's good result was mainly due to capital gains. Heliad sold stocks in DEAG Deutsche Entertainment AG, Berlin ("DEAG"), the FinTech Group AG, Frankfurt am Main ("FinTech"), MagForce AG, Berlin ("MagForce"), and Max21 AG, Weiterstadt ("Max21"). While the sale of stocks in DEAG, MagForce, and FinTech contributed to the positive result of EUR 3.4 million (previous year: EUR -2.9 million) in the separate financial statement of Heliad as the parent company, Max21 was also sold with only a slight loss, even after the write-offs of the previous years. The performance of Springlane GmbH, Dusseldorf ("Springlane") and Cubitabo GmbH, Berlin ("Cubitabo") led to total devaluations of EUR 9.1 million. Nevertheless, the forecast of the previous financial year, the achievement of a positive result, was achieved.

The positive result of EUR 39.1 million (previous year: EUR -22.0 million) in the consolidated financial statement was significantly influenced by the changes to the financial investments. High appreciations on shares in FinTech, MagForce, Elumeo SE ("Elumeo"), and Sleepz AG ("Sleepz") contributed to considerably exceeding the forecasts of the previous financial year and achieving a higher NAV and more free liquidity in the event of amortizations on the investments in Springlane, Cubitabo, and Max 21.

Overall, Heliad was able to heavily expand its portfolio in the previous financial year. Investment in the available participations (e.g. Libify and Tiani) and in the new participations in Sleepz AG ("Sleepz"), Elumeo SE ("Elumeo"), and Urbanara GmbH ("Urbanara") are leading to further diversification, as planned, thereby following the strategy of ensuring that Heliad business development is less dependent on the market price of FinTech Group AG continues.

For both the parent company and the Group, Management expects a positive performance of the NAV and free liquidity in the 2018 financial year, as long as it is possible to realize the valuation reserves through disposals and further increase the remaining investments in value.

2. Business Model and company Targets

2.1 Business model

Heliad is an investment company that invests in innovative and high-growth companies and actively supports their development.

Heliad strives for a share acquisition in company with sales typically to the extent of between EUR 1,000,000 and EUR 50,000,000 p.a. In the case of an equity investment of no more than EUR 10 million per transaction, growth investments are predominantly arranged. In the coming years, the company intends to up to three new investments p.a., as in previous years.

An essential feature of each transaction is that the Heliad team is in a relatively better position than Heliad's competition, due to existing knowledge and sector expertise at our disposal through our network, to either:

- perform due diligence,
- increase sales,
- more effectively assess the sale of shares in the company and/or,
- achieve a lower purchase price by taking up a desired partner

A large network, position as a reliable negotiating partner and an active hands-on approach give Heliad access to attractive investments.

2.2 Competitive advantages, strengths, core competencies

Heliad is a publicly listed investment company focusing on investments, primarily in Germany. The company has developed professional processes in deal sourcing, deal management and portfolio management and is therefore in a position to efficiently implement the investment strategy. It has sufficient liquidity for further transactions, and can therefore perform up to three transactions a year. The company relies on a motivated, professional team with long-standing of industry experience. Heliad's listing provides transparency for investors and none of the maturity constraints which affect typical private equity funds. When implementing its strategy, the Heliad team, in particular, has access to an extensive network to exploit synergies. These strengths and competitive advantages represent key success factors of Heliad.

2.3 Company management/goals

Heliad's corporate success is mainly defined by the value performance of its portfolio and its ability to make investments. The main goal and success factors of the Heliad Group and the parent company are a result of the Net Asset Value (NAV) per share and its available cash.

In addition, we define the dividend policy as a goal factor for our shareholders and explain the control mechanisms relating to its portfolio companies:

PORTFOLIO DEVELOPMENT (NET ASSET VALUE - NAV)

The NAV is therefore regularly determined on the basis of market values ("fair values"), i.e. the current values of investments plus other assets minus liabilities. The NAV therefore largely corresponds with Heliad Group's IFRS equity. Changes to the fair value of investments directly affect the NAV. Their performance is therefore the key factor for the success of our company.

The aim is to increase the long-term average NAV per stock, which then results in a higher corporate value as reflected by the market price.

The NAV per share increased by 45% to EUR 12.22 compared to the previous year (EUR 8.43).

FREE CASH

The free cash reflects the ability of the Heliad Group to make new and expand existing investments. This ability to invest is a prerequisite for success-driven investment management.

Heliad defines its credit notes at banks at credit institutions, in addition to current assets that can be liquidated and the available credit lines less the current liabilities due as available cash.

The aim is to consistently retain available cash for a planning horizon of 12 months.

As at December 31, 2016, the free cash of the Heliad Group was EUR 10.0 million (previous year: EUR 1.9 million).

DIVIDEND POLICY

Heliad has defined clear benchmarks for the future distribution policy for its stockholders. According to this policy, stockholders should be able to achieve a sustainable dividend yield of about 3%. We understand the term sustainable to mean that the value we strive for over a long-term average is achieved even if no dividend or a lower dividend was to be paid in individual years.

The following average value therefore results since the requirement of a sustainable dividend policy in the 2014 financial year:

	Dividends	Stock market price on reporting date	Dividend income
2015	EUR 0.15 per share	EUR 4.20 per share 12/31/2014	3.57%
2016	EUR 0.20 per share	EUR 6.20 per share 12/31/2015	3.23%
2017	EUR 0.15 per share	EUR 5.71 per share 12/31/2016	2.63%
AVERAGE VALUE			3.14%

The management of the general partner proposes to the annual general meeting that the annual net income for the 2017 financial year of EUR 0.20 per share should be distributed to the limited liability shareholders and that the remaining profit should be carried forward as profit.

MANAGING PORTFOLIO COMPANIES

The performance of our operative investments is, regardless of the management of Heliad itself, measured on the basis of classic, year-related key data such as revenue, EBITDA and profitability.

At the time of the investment decision, we establish corporate planning with the management of the target company, on the basis of which the contribution is assessed and evaluated every quarter. On the basis of the monthly and quarterly figures, we follow the development of the individual companies in comparison with the previous year, the plan and the current budget. Current and strategic developments as well as any necessary measures in the portfolio companies are discussed in regular team meetings with the Executive Committee and the Investment Manager.

Heliad's management performs operational tasks involving the generation of investment opportunities, the assessment and negotiation of acquisitions and disposals and seeks to secure supervisory and advisory functions in the portfolio companies wherever possible in order to secure the integration of Heliad into the operative performance of our investments. In addition to the risks of Heliad's business processes, our risk management system also controls risks arising from the performance of the portfolio companies. In this regard, reference is made to the following risk report. Controlling reports on the portfolio companies are discussed at regular meetings and any required measures are implemented.

3. Macroeconomic Framework and Industry Climate

3.1 OVERALL ECONOMIC DEVELOPMENT¹

The GCEE established the following when assessing overall economic development in its Annual Report 2017/2018:

Economic recovery in Germany and the Eurozone is continuing. The council of experts estimates growth rates of the real gross domestic product of 2.0% in 2017 and 2.2% in 2018 for Germany. The underlying growth dynamic mainly remains the same. The German economy is increasingly performing at capacity as a result. The council of experts forecasts real growth in the Eurozone of 2.3% in 2017 and 2.1% in 2018.

With the most recent extension of the ECB's bond purchasing program, the degree of monetary policy expansion continues to increase. In light of the higher growth and inflation risks with increasing risks for financial stability, the ECB should publish a strategy for the standardization of monetary policy and end bond purchases at an earlier stage. In addition, the ECB

¹ Source: German Council of Economic Experts: Annual Expert Report 2017/18.

Council should develop its forward guidance communication in order to facilitate expectation formation and increase the efficacy of monetary policy.

The situation in the real economy and the financial markets affects both the portfolio companies and the investment activity and consequently the medium to long-term success of Heliad. ingly endangers financial market stability. The extent of the relaxation is no longer appropriate in light of the economic recovery. The ECB should therefore terminate the purchasing of bonds more slowly and earlier.

The situation in the real economy and the financial markets affects both the portfolio companies and the investment activity and consequently the medium to long-term success of Heliad.

3.2 DEVELOPMENT OF THE PRIVATE EQUITY SECTOR²

To illustrate developments within the private equity sector, Heliad uses the latest publications of the Bundesverband Deutscher Kapitalbeteiligungsgesellschaften (Federal Association of German Capital Investment Companies (BVK)) cited below.

Investments in Germany (market statistics) reached EUR 11.3 billion – an investment leap of 67% in comparison to the previous year (EUR 5.69 billion). The number of German companies financed during the year amounted to 1,100, again up on the previous year at 1,011.

Fund raising reached the same level as in the previous year (EUR 2.93 billion) with EUR 2.98 billion. Half of this is attributed to venture capital funds. Fund raising increased slightly here from EUR 1.33 billion to EUR 1.49 billion. Buy-out fund raising decreased from EUR 1.46 billion to EUR 0.94 billion. Funds with a focus on financing growth and minority shareholdings amassed EUR 0.5 billion.

The volume of investment sales increased by one quarter compared to the previous year to EUR 5.42 billion. As in the previous year, the most important exit channels were trade sales which made up of half the exit volume. A further 40% was attributed to sales to other investment companies whose volume more than doubled.

Heliad pursues a focused investment strategy, particularly with regard to business models and company sizes. Heliad is therefore not necessarily dependent on the general economic situation. At the same time, it is difficult to relate general statements about the equity market to Heliad's activities and use these to determine consequences for Heliad's business activities.

4. Investments and their Development³

4.1. DEAG – DEUTSCHE ENTERTAINMENT AKTIENGESELLSCHAFT

DEAG Deutsche Entertainment AG with headquarters in Berlin is an integrated entertainment content company and a leading provider of live entertainment in Europe. DEAG produces and organizes a broad spectrum of events and concerts. With its 360° approach, DEAG therefore covers the entire value chain in the area of live entertainment: from concerts to selling audio carriers, rights-utilization, sponsoring, and merchandising to ticketing. Its own sales business, myticket AG, in which two large media companies from the print and TV sectors are invested, ensures increasing profitability and scalability of the business model.

Founded in 1978 in Berlin and listed on the stock market since 1998, DEAG hosts around 2,000 concerts and events a year within the genres of rock/pop, festivals (national and international), classical music, jazz, hit songs, and folk music, as well as in the growth-strong family entertainment and arts & exhibition segments in Germany, Austria, Switzerland, and the UK. The company has an annual turnover of around 5.0 million tickets.

² Source: BVK-Statistik „Das Jahr in Zahlen 2017“, Bundesverband Deutscher Kapitalbeteiligungsgesellschaften, February 2018.
³ The information has been taken from the publications of the respective companies.

With a network of strong partners such as Sony Music Entertainment, Axel Springer SE, ProSiebenSat.1 Media SE/Starwatch Entertainment, Ticketmaster and others, DEAG is excellently positioned in the market as an internationally-operating Live Entertainment Group.

DEAG shares are listed in the prime standard on the Frankfurt Stock Exchange. In 2016, DEAG posted earnings before interest and taxes (EBIT) of 0.5 million, which was a stark turnaround compared with the previous year. Sales revenue was EUR 184.8 million in 2016.

Heliad holds a 3.2% share of DEAG as at December 31, 2017.

4.2. FINTECH GROUP AG (FINTECH)

FinTech Group AG (WKN: FTG111, ISIN: DE000FTG1111, ticker: FTK.GR) is one of the leading European providers of innovative technologies and services in the financial sector.

In the B2C segment, the one hundred percent subsidiary flatex GmbH, with its transparent price-performance model, has been one of the market and innovation leaders in the German and Austrian online brokerage market for years, reaching approximately 200,000 private customers who execute 12 million trades per year. According to numerous rankings by top user experience, flatex stands out with inexpensive flat-fees and a broad selection of independent products. In addition to new customer acquisitions, there is also potential growth potential in expanding the credit business further. In the past financial year, its credit volume doubled and is now EUR 200 million.

In the B2B segment, the highly scalable technology as FinTech Group Core Banking System (FTG: CBS) is being marketed and offers B2B partners the opportunity to manage bank processes at a reduced rate. The product fields of the solutions marketed as white-label products for banking include: granting credit, securities processing, online brokerage, retail banking and corporate payments.

FinTech Group is already an important technology partner for German and internationally-operating banks and financial establishments (e.g. Commerzbank, Deutsche Bank).

The company restructuring, planned for 2018, should cause a strict separation of the financial and technology segments. In the future, FinTech Group Bank, VITrade, and flatex will form the financial segment which will be complemented by FinTech Group in the technology segment. Considerable operative advantages will arise from the restructuring, which shall apply, in particular, with a view to the growth strategy.

Furthermore, shares in the former parent company increased to 99.56% as a result of the squeeze out of XCOM AG.

FinTech generated earnings before interest, taxes, depreciation, and amortization (EBITDA) of EUR 13 million in the first half of 2017. Consolidated sales totaled EUR 49.5 million in the first half of 2017.

Heliad holds a 14.4% share in the FinTech Group as at December 31, 2017.

4.3. MAGFORCE AG

MagForce AG is a leading company in the area of nano technology-based cancer therapy and the first company worldwide to receive European approval for a medical product with nano particles. The new type of therapy is available for patients in the NanoTherm® therapy centers in Germany in the Charité, Berlin, and the University Clinics of Munster, Kiel, Cologne, and Frankfurt. Further therapy centers in Germany are planned.

In March 2014, MagForce AG founded a US subsidiary, Mag-Force USA, Inc., with headquarters in Nevada, in order to develop the NanoTherm Therapie® in the US to treat brain tumors and prostate cancer and later to introduce it to the American market.

In June 2017, MagForce AG successfully carried out a capital increase. The company received gross issue proceeds of EUR 5.0 million from the capital increase.

MagForce AG and the European Investment Bank (EIB) concluded a financing agreement on a loan of up to EUR 35 million. Of this, after signing the agreement, EUR 10 million was available for disbursement. A further EUR 25 million can be called

in up to four tranches within the next 36 months. Inter alia, they are associated with achieving certain operative milestones. The loan will be used to implement the pan-European rollout of NanoTherm Therapie to treat brain tumors, the development and global commercialization of new solutions to treat prostate cancer and the next generation of MagForce NanoTherm particles.

In the first half of the year, the company generated sales revenue of EUR 683,000 (previous year: EUR 143,000) and other operating income of EUR 606,000 (previous year: EUR 602,000). Sales revenue and other operating income included both the turnover from the commercial treatment of patients with NanoTherm Therapie and from NanoTherm deliveries to MagForce USA, Inc. and additional charges of development costs and management services to subsidiaries. Earnings before taxes amounted to EUR -3.2 million for the first half of 2017.

Heliad holds a share of 3.4% in MagForce as at December 31, 2017.

4.4. MAX21 AG (MAX21)

MAX21 is a technology holding. MAX21's most important investments focus on the business areas of postal services, IT security, and cloud and IT services.

Heliad holds a 3.2% share in MAX21 as at December 31, 2017.

4.5. SLEEPZ AG (SLEEPZ)

Sleepz AG (WKN: A2E377, ISIN: DE000A2E3772, ticker: BTBB) with headquarters in Berlin and Warsaw is one of the leading full-online service providers of sleep and home decoration. The subsidiaries Sleepz Home GmbH, Matratzen Union GmbH, and Grafenfels Manufaktur GmbH also operate online shops in the sleep segment with their own collections. Sleepz address both the premium and the rapidly growing budget market for sleep products.

As at December 31, 2017, Heliad holds a share of 15.4% in Sleepz AG and a share of 8.5% in Sleepz Home GmbH.

In December 2017, Heliad contributed its shares in Cubitabo GmbH to Sleepz Home GmbH as part of a capital increase. The capital increase was effective as at January 2018. Heliad holds a stake of 40.5% in Cubitabo as at December 31, 2017.

4.6. ELUMEO SE

Elumeo SE (WKN: A11Q05, ISIN: DE000A11Q059, ticker: ELB), with company headquarters in Berlin, focuses on creating gemstones through its own production in Thailand. Founded in 2008, Elumeo combines the tradition of a century of craftsmanship with the cost benefits of electronic sales channels and integrated products. Sales therefore take place directly both online and through its own TV capacities. Elumeo aims to make high-quality gemstones an affordable luxury for everyone. From its domestic market in Germany, Elumeo was able to transform into one of the leading European e-commerce providers of jewelry. With brands such as Juwelo, Rocks and Co, and AMAYANI, Elumeo Group reaches its European and global customers today through New York Gemstones.

Heliad holds a stake of 7.5% in Elumeo SE as at December 31, 2017.

4.7. MUUME AG

MUUME (www.muume.com), with headquarters in Zug, Switzerland, is one of the technological leading platforms for digital self-service shopping. MUUME digitalizes day-to-day consumption and shopping processes on your smartphone and links them with normal banking and payment services and added value such as loyalty cards/points and coupons. The MUUME platform has been designed to be 100% digital, has a modular structure, and is suitable for the current market situation. Strategically, MUUME concentrates on attracting large closed-user groups with a focus on Germany and Switzerland. In doing so, MUUME provides its platform under the MUUME brand, in co-branding and as a pure merchant solution for integration in existing merchant apps (as SDK).

Heliad holds a 3.9% share in MUUME as at December 31, 2017.

4.8. ALPHAPET VENTURES GMBH

Alphapet Ventures, headquartered in Munich, is the leading online retailer of premium pet supplies and food in Germany. The company was created in April 2016 through the merger of ePetWorld GmbH and Pets Premium GmbH. Alphapet Ventures operates specialized online shops in the premium segment for dog and cat owners through the portals Hundeland.de, Katzenland.de and petspremium.de. The broad selection of specialist and premium products, planning tools developed in-house and expert telephone hotline allows the different target groups of the portal to find the right product in each phase of life and at any time.

In addition to the merger, which created the largest supplier of premium pet supplies in Germany, the main aim in 2017 was to deepen the value added chain. Alphapet Ventures develops its own innovative product and brand concepts. The brand portfolio, consisting of three independent brands, is sold over-the-counter alongside the online platforms in over 100 specialist retail shops.

Heliad holds a stake of 6.7% in Alphapet Ventures as at December 31, 2017.

4.9. SPRINGLANE GMBH

The startup with headquarters in Dusseldorf was founded in 2012 and is the leading platform for all your cooking and baking needs. As a vertically integrated company, Springlane can offer an unequaled range in the world of cooking. In addition to proprietary business intelligence, a high-performing e-commerce infrastructure and unique product and category expertise, the company has built one of the most influential food content communities in Europe.

Heliad holds a stake of 23.4% in Springlane as at December 31, 2017.

4.10. MT HOLDING GMBH (AU) – TIANI SPIRIT

MT Holding GmbH with its subsidiary Tiani Spirit GmbH, both with headquarters in Bisamberg, Austria, is an internationally-operating IT company specializing in the development and provision of solutions for the standardized exchange of data. The company focuses on the exchange of medical information. The Tiani Spirit software solution ties in with the globally recognized IHE standard and, in particular, dominates international competition in the area of compatibility. IHE allows for the continuous interoperability in the overall health system as an international non-profit organization.

Through its role as a trailblazer, Tiani Spirit has already been able to win round renowned partners such as Cisco Systems which integrated the company's software solution into its own system and marketed the software on its price list.

In addition to the subsequent expansion of its leading position in the IHE market, Tiani Spirit strives to develop pioneering specialists for interoperability in further areas, in particular resident registration and decentralized energy provision.

Heliad holds a stake of 35.4% in Tiani Spirit as at December 31, 2017.

4.11. LIBIFY TECHNOLOGIES GMBH

Libify Technologies GmbH, with headquarters in Munich, specializes in the manufacturing and distribution of portable emergency call and location systems. With its hybrid emergency call system GEOCARE®, the company offers contemporary security technology to facilitate both professional and private day-to-day life. In order to do so, Libify Technologies cooperates with numerous companies from the sectors of ambient assisted living (ALL), health, safety, sport, and agriculture.

In addition to risk groups such as outdoor sport enthusiasts and workers who work without visual contact and without phone signal to other people, the elderly, and chronically ill also benefit from the company's safety solution as it enables greater independence and longer resting time in familiar surroundings.

Through Geocare, Libify offers a state-of-the-art portable emergency call system for everyone where help can be requested in seconds with the press of a button. Automatic emergency calls or GPS searches make the immediate and exact localization of the person in need possible. Geocare offers the elderly and chronically ill people a feeling of more independence and freedom, while at the same time providing the highest level of security possible. It also helps active people on the go pursuing sports or on the job.

In addition to the consistent further development of products, Libify pushes for the tapping of new markets and strives for European market leadership in the area of innovative emergency call solutions. In the meantime, its products are offered in 18 countries and have already been used successfully in Germany, Austria and Switzerland over 20,000 times.

Heliad holds a stake of 16.1% in Libify Technologies as at December 31, 2017.

4.12. STAPP AG

Stapp AG, with headquarters in Hamburg, markets the digital presence of leading personalities (known as influencers) with individual, authentic solutions. It designs and develops individual, authentic web/app applications using a platform developed in house and defines the appropriate e-commerce strategy and establishes a scalable network across all relevant digital platforms.

In December 2015, Stapp released its first product in collaboration with Carmen Geiss. The Daniela Katzenberger app “Love and Style” then followed, which, by the end of the year, became one of Germany’s most popular celebrity apps with over 270,000 app downloads. The app allows customers to try out different Daniela Katzenberger “looks” and purchase them. Product providers are able to enter into a cooperation agreement with Stapp in order to place products directly.

Heliad holds a stake of 74.0% in Stapp as at December 31, 2017.

4.13. URBANARA GMBH

Urbanara GmbH, with headquarters in Berlin, sells home furnishings and accessories. Urbanara relies on natural materials and high-quality workmanship by combining traditional craftsmanship with the state-of-the-art manufacturing procedures. At the same time, particular value is placed on responsible manufacturing and environmental awareness when manufacturing products. In addition to the online shop, Urbanara operates a flagship store in Dusseldorf.

Heliad holds a stake of 25.8% in Urbanara as at December 31, 2017.

4.14. MYBETTERLIFE GMBH

my better life™, with headquarters in Berlin, offers individual online coaching with the help of leading experts. The my better life platform developed for this purpose includes specific online coaching to solve specific problems such as “losing weight the healthy way”, “finally giving up smoking”, or “internal satisfaction”. my better life is supported by leading prominent experts: Andrea Ballschuh (leisure), Peter Zwegat (finance), Dr. Natalie Zub (health), Angelika Gulder (work), Serena Goldenbaum (appearance), Katia Saalfrank (relationships),

Dr. Renée Moore (motivation), and Prof. Lothar Seiwert (time management). By the end of 2018, 30 programs on the topics of stress, relationships, money, sex, and other topics will be available on the platform, thereby offering a central contact point for solving specific individual problems. The my better life concept is based on science and psychology.

Heliad holds a stake of 49.9% in mybetterlife GmbH as at December 31, 2017.

5. Assets, financial position and results for financial year 2016.

5.1. FINANCIAL AND ECONOMIC SITUATION IN FINANCIAL YEAR 2016

The Heliad Group reported a profit of EUR 39.1 million for the 2017 financial year (previous year: EUR -22.0 million). The net asset value per share rose by EUR 3.79 compared to the previous year (EUR 8.43) to EUR 12.22 as at December 31, 2017. Based on the consolidated statement of financial position as at December 31, 2017, the equity ratio rose by 2.2 percentage points to 97.6% (previous year: 95.4%).

The parent company reported a year-end result of EUR 3.4 million in 2017 (previous year: EUR -2.9 million). Despite the dividends paid (EUR 1.4 million), the equity ratio in the separate financial statement of the parent company increased from 95.4% last year to 96.7% as at December 31, 2017. The capital increase carried out in June 2017 also contributed to this increase.

In the 2017 financial year, shares in FinTech, DEAG, and MagForce were sold. The sales led to a positive result in Heliad's individual financial statements. In consolidated financial statements, the very positive annual result largely resulted from the appreciation in value of the stocks in FinTech. In contrast, operative expenses also fell by EUR 2.1 million.

From the perspective of the management, the performance of the Group and the parent company was very positive in the 2017 financial year.

5.2. ASSET SITUATION

The assets and capital structure of the Group was mainly influenced by the subsequent measurement, purchase and sale of financial assets.

The financial position in the separate financial statements of the parent company was also marked by the investment in financial assets.

The Group's total assets increased year on year by EUR 39.0 million to EUR 122.6 million and those of the parent company increased by EUR 3.4 million to EUR 58.6 million.

The value of the Group's total assets in comparison to the previous year increased by EUR 38.1 million to EUR 117.2 million. New investments in Sleepz AG, Elumeo SE, Urbanara GmbH, Sleepz Home GmbH, and investments in the existing shareholdings in Cubitabo, Springlane, and Capnamic Fund led to a net increase of EUR 6.5 million.

The assessment of FinTech, Sleepz, Elumeo, DEAG, MagForce, and Alphapet led to total value increases of EUR 47.1 million being generated, while the valuation of Max21, Springlane, and Cubitabo led to devaluations of EUR 9.3 million.

In the case of the parent company, the value of the financial assets reduced by EUR 0.9 million to EUR 51.3 million. Impairment of the loans to HEP Beteiligungs GmbH and the sale of shares in FinTech, DEAG, and MagForce, which were opposed to the investments in Libify, Elumeo, and Sleepz, were essential for this reduction.

Other assets, receivables, and tax receivables in the consolidated financial statements increased by EUR 0.7 million to EUR 4.9 million and in the individual financial statements by EUR 4.4 million to EUR 7.0 million, where changes in the individual financial statements can mainly be attributed to the short-term granted loans.

Heliad secured a credit line of up to EUR 6.5 million. As at the reporting date, an amount of EUR 1.7 million (previous year EUR 2.2 million) from this line was claimed. As also in the previous year, additional short-term liabilities only exist to a small extent and there are no long-term liabilities.

5.3. FINANCIAL SITUATION

The main treasury activities of Heliad are triggered by a limited number of annual investments and disinvestments. As the implementation of transactions often depends on a variety of external factors which Heliad only has limited influence over, the cash flows are difficult to predict.

Due to the incoming and outgoing payments from the above acquisitions and disposals of financial assets and current assets and the payment of dividends in the amount of

EUR 1.4 million (previous year EUR 1.9 million), liquid cash in the consolidated financial statements increased overall from EUR 0.1 million to EUR 0.4 million as at December 31, 2017. In the separate financial statements, the liquid funds on the effective date amounted to EUR 0.3 million after EUR 0.1 million as at December 31, 2016. In addition, a credit line in the amount of EUR 1.7 million was utilized as at the reporting date.

The cash flow from operating activities of the Heliad Group in the 2017 financial year decreased slightly to EUR -3.3 million (previous year EUR -3.5 million), as payments for operating expenses was counteracted with incoming payments of roughly the same amount from sales or investment income.

Cash flow from investing activities in the 2017 financial year was influenced by disbursements within the context of the short-term treasury management amounting to EUR 1.3 million (previous year: EUR 1.5 million) and investments in financial assets amounting to EUR 15.1 million (previous year: EUR 12.6 million) during the 2017 financial year. This was offset by proceeds from disposals totaling EUR 19.5 million (previous year: EUR 3.5 million) and incoming payments within the scope of the short-term treasury management of EUR 0.4 million (previous year: EUR 4.5 million).

The cash flow from financing activities resulted from payments within the scope of the dividend distribution of EUR 1.4 million (previous year: EUR 1.9 million) and disbursements from the use of a credit line in the amount of EUR 0.5 million (previous year: use of a credit line EUR 2.2 million). In contrast, there were incoming payments from a capital increase in the amount of EUR 2.0 million (previous year: EUR 0.0 million).

The Heliad Group had sufficient funds for several new investments in the 2018 financial year with the existing cash and cash equivalents and short-term receivables relating to the cash investments and the available credit line.

	2017 in million Euro	2016 in million Euro	Difference in million Euro
CASH FLOW FROM OPERATING ACTIVITY	-3.3	-3.5	0.2
CASH FLOW FROM INVESTMENT ACTIVITY	3.5	-6.1	9.6
CASH FLOW FROM FINANCING ACTIVITY	0.0	0.3	-0.3

5.4. EARNINGS

The earning situation developed year on year as follows during the 2017 financial year:

Heliad Group

Earnings in million Euro	2017 in million Euro	2016 in million Euro	Difference in million Euro
other income	0.1	0.0	0.1
Gains on disposal	4.8	-0.3	5.1
other expenses	-3.5	-5.6	2.1
Appreciation in value	47.1	2.5	44.6
Amortizations	-9.3	-19.7	10.4
Financial income	0.5	0.9	-0.3
Taxes	-0.5	0.2	-0.7
PERIOD RESULT	39.1	-22.0	61.1

Parent company

Earnings in million Euro	2017 in million Euro	2016 in million Euro	Difference in million Euro
other income	0.0	0.3	-0.3
Gains on disposal	11.0	0.5	10.5
other expenses	-3.0	-4.0	1.0
Appreciation in value	0.6	0.0	0.6
Amortizations	-6.0	-1.0	-5.0
Financial income	0.8	1.3	-0.5
Taxes	0.0	0.0	0.0
PERIOD RESULT	3.4	-2.9	6.3

The balance amount of income from the fair value assessments of financial assets (appreciations) and the corresponding write-downs significantly improved compared with last year. Among these, changes in the value of listed financial assets are recognized on the basis of share price changes in the consolidated financial statements.

The tax expense in the consolidated financial statement is the result of the recognition of deferred taxes in the valuation differences when making financial investments.

The disposal result in the individual financial statements of the parent company increased due to the higher gains that could be achieved from the sale of financial assets.

Other expenses are primarily comprised of management and performance fees with EUR 2.4 million (previous year: EUR 3.3 million). This item decreased correspondingly in the current year.

6. Employees

No people were employed by the company in the basis of consolidation, as in the previous year.

7. Post-balance sheet events

With effect of 01/03/2018, all shares held by Heliad Group in Cubitabo GmbH were contributed to Sleepz Home GmbH. Furthermore, Heliad invested further in Sleepz Home GmbH as part of a capital increase.

In February 2018, Heliad granted Libify GmbH a convertible six-figure loan.

Heliad invested a seven-figure sum in Cyan AG in February 2018.

8. Opportunity and Risk Report

8.1 OPPORTUNITIES FOR THE HELIAD BUSINESS MODEL

OPPORTUNITIES FOR ACQUISITIONS

Heliad requires access to new investment opportunities for positive development. Heliad's business model will only be profitable in the future with a sufficient number of transactions and profitable sales.

We are working on obtaining early knowledge about forthcoming investment opportunities in German-speaking countries and have the resources and tools to ensure an adequate and high-quality flow of transactions. As a result, we aim to use a targeted acquisition strategy to identify promising companies and increase the probability of successful acquisitions by avoiding structured sales processes with increased competition. New investment opportunities continuously arise through our extensive network of investment teams. The network consists of former investment partners, banks, consultants, lawyers, accountants and experienced industry experts with whom we cooperate to identify and assess investment opportunities.

OPPORTUNITIES DURING THE HOLDING PERIOD

During the holding period, Heliad focuses on the implementation of the chosen growth strategy, thereby increasing the value of its investments. Operating income from investments, such as dividends, profit stocks and interest income support the economic success of Heliad. The Management plays a significant role in the support and development of the portfolio companies. The existing controlling structures and processes are scrutinized and optimized for the continuous monitoring of the performance and exit strategy and the active identification of appreciation potentials.

OPPORTUNITIES IN CORPORATE SALES

Stock market listing and the sufficient availability of liquidity does not force us to make hasty and badly timed sales, as is sometimes the case with classic private equity structures. In fact, we work jointly with the Management of our participations along an exit strategy defined at the start of the participation, which should sell the values created at the ideal moment in time. We have the contacts required for divestments through our extensive network and industry expertise.

8.2 RISK REPORT

RISK MANAGEMENT

For Heliad, risk management means controlling key risks that arise from the business activities as best possible and taking opportunities effectively. The main task of risk management is to identify risks and analyze, control and monitor these risks. The opportunities and risks of an investment company arise from the acquisition, holding and sale of investments. The management of opportunities and risks is therefore closely linked to the operations of the investment team and firmly integrated into the processes. Opportunities and risks should be balanced so that opportunities can be seized without endangering the survival of Heliad. Our risk management system is based on our risk management manual which, in our opinion, depicts and assesses all significant risks. We have established measures to control and monitor the risks and have integrated them into our processes. The management continuously monitors, maintains and develops the risk management system. In the case of unexpected events, relevant risks are immediately taken into account. Management is directly concerned with the evaluation and management of risks and opportunities and regularly checks whether the estimations have changed and which action needs to be taken. Management informs the Supervisory Board about the risk situation of the company and the portfolio companies on at least a quarterly basis. In the event of an unexpected and substantial change to the risk situation, the Supervisory Board is immediately notified. We currently see no risks that could endanger the continued existence of Heliad.

INTERNAL CONTROL SYSTEM WITH REGARD TO THE ACCOUNTING PROCESS

The essential features of the internal control and risk management system with regard to the accounting process include regular analytical reviews of processes relevant to accounting. Heliad has a clear organizational, control and monitoring structure and a clear allocation in the area of the accounting process. All personnel involved in the accounting process are qualified in accordance with the requirements, with a suitable number of personnel to deal with the required tasks. The completeness and accuracy of the accounting data is regularly checked by taking samples and undertaking plausibility checks involving manual checks. It is possible to perform regular and almost complete reviews of the entries due to the manageable number of transactions. The relevant risks are recorded. Management and the Supervisory Board regularly deal with the key aspects of financial and risk management.

COMPANY-SPECIFIC RISKS

Management and personnel risks

The composition and expertise of the management team is closely linked to the success of Heliad. This is due to the small size of the entire organization, with a flat hierarchy in which each individual makes a responsible contribution. Heliad has access to a balanced mix of experienced staff with many years of financial, private equity and consulting experience at major companies, in addition to qualified professionals.

Information systems (IT)

Our business not only requires appropriate software and hardware but also data backups in order to ensure that data is accessible for authorized users at all times and is also protected against unauthorized access. Heliad uses an external provider to maintain the IT systems. We regularly discuss the reduction of IT risks with this provider. We expect no change in the operational risk situation.

RISKS FOR THE HELIAD BUSINESS MODEL

Risks associated with acquisitions

The investment strategy largely determines Heliad's risk-reward profile. It is constantly being reviewed and enhanced. We mainly buy companies with little need for investment in order to avoid subsequent follow-up financing for investments. Furthermore, the loss of an individual investment must not endanger the survival of Heliad. For this reason, individual investments do not exceed EUR 10 million per transaction. During the acquisition phase, it is essential to understand the business model and the market, derive risks, and evaluate them. In addition to our experienced team, we make use of external consultants who assist us in the assessment (due diligence) of a company in financial, fiscal, and legal terms. We prefer the operational management of the portfolio companies to be involved in order to optimize their integration with the company and interest equality with regard to value creation and realization. Each significant investment is presented to and approved by the Supervisory Board before an investment is made.

Risks during the holding period

The development of the investments directly affects the success of Heliad. If an investment develops unfavorably and its value falls, this must not result in a risk for Heliad. It cannot be excluded that an investment may lead to a requirement for supplementary financial assistance. We initially assess the additional financing requirements of a portfolio company with the same criteria as for new investments. Other aspects are also included in the decision. Under certain circumstances, the risk profile of the supplementary financial assistance therefore increases. In the case of a negative development of a portfolio company, this may lead to a total loss of principal. This may be associated with other negative consequences, such as a loss of reputation. We counter this risk with instruments for risk monitoring, particularly the preparation and analysis of monthly reports and quarterly reports and regular on-site presence of the investment managers. The management aims to be represented at the portfolio companies in the Supervisory or Advisory Board to advise the company on various issues. This subsidiary controlling independently evaluates information and regularly calculates the net asset value per investee. We discuss the commitment on the basis of established monthly reports. We provide advice on current developments during regular update meetings.

Risks associated with corporate sales

We lay the foundations for a successful sale during the acquisition phase. We therefore only enter into investments where there should be a clear interest from strategic investors or financial investors. We regularly discuss the possibilities of a sale in the controlling meetings. Subsidiary controlling also reduces the risk of issued guarantees and surety bonds being used during sales. The corresponding risks are regularly evaluated after the sales.

ECONOMIC AND MARKET-RELATED RISKS

Economic risks

The economic success of Heliad depends on the economic success of the portfolio companies. As they are active in different sectors and regions, various sectorial and geographic economic cycles as well as political and financial contexts influence the success of our investments. By diversifying the investment portfolio across different sectors and regions, primarily in German-speaking regions, we ensure that, in general, only individual holdings of cyclical changes are affected.

Sector risks

The development of Heliad largely depends on access to investment and divestment opportunities. The business model can only be successful through a sufficient number of potential investment opportunities and profitable sales. We have almost no influence on the development of the private equity market. Our options to limit the risk of a decline in the number of potential investment opportunities are accordingly restricted.

FINANCIAL RISKS

Risks associated with interest rates, currency and liquidity

Heliad typically finances acquisitions with equity and bank loans. The financing structure is an essential building block during the acquisition phase. The liquidity risk is that the cash may not be sufficient to meet the financial obligations in a timely manner. We classify our liquidity risk as low at present. This is due to our solid financing and fact that we currently avoid the use of leverage at the holding level. At the portfolio company level, liquidity development, debtor creditworthiness and payment obligations are monitored with periodic reporting and overseen by the responsible investment manager at Heliad. Therefore, Heliad is currently not exposed to risks from a lack of refinancing opportunities or rising interest rates and these risks are relatively low at present. Exchange rate changes only indirectly affect the performance of Heliad on the reporting date. The companies in the portfolio generate most of their sales in the Eurozone.

Opportunity and risk report for investments

Risks arising from the respective sectors and business cycles are typical in the investment business. We counter this risk by diversifying our portfolio. Our investment focus on established companies minimizes the risks of high refinancing requirements for investments by making necessary investments in fixed assets. Nevertheless, there are risks associated with the potential below-average development of the subsidiaries, with regard to the valuation in the NAV and the annual financial statements, in addition to insolvency risks, which cannot be excluded. We counter insolvency risks by taking appropriate measures within the company. Nevertheless, it cannot be guaranteed that Heliad's management will succeed in making the investments profitable.

OVERALL RISK ASSESSMENT OF HELIAD

The overall assessment of all of these risks aspects and the investments is based primarily on market and economic risks and the typical risks in the investment business. On the basis of the information currently available to Heliad, individual and cumulative risks currently present no danger to the continued existence of Heliad. Furthermore, there are no identifiable financial risks affecting the company. There have been no significant changes in the opportunities and risks compared to the previous year.

9. Forecast/outlook

9.1. GLOBAL ECONOMIC CONDITIONS

The GCEE established the following regarding economic developments when assessing the overall economic performance in its 2017/2018 Annual Report⁴:

The unexpectedly strong economic recovery now extends to all member states of the Eurozone. The most significant components of the upswing continue to be consumption. However, investments are now also performing dynamically and exports continue to grow more strongly again. Employment is rising consistently, although unemployment rates in some member states are still very high. Inflation continued to rise in 2017. The performance of energy prices, which reached an all-time low at the start of 2016 and which increased to a higher level again in 2017 contributed to this in particular. At the same time, as part of a standardization of the economic situation, this led to a moderate increase in core inflation.

The council of experts expects GDP growth in the Eurozone of 2.3% for 2017 and 2.1% for 2018. The council of experts estimates real gross domestic product growth rates of 2.0% in 2017 and 2.2% in 2018 for Germany.

9.2 OUTLOOK FOR THE SECTOR ENVIRONMENT⁵

Asked about their expectations for investment in their own market segment in 2018, investment companies are optimistic in principle. Although every second company assumed unchanged investment, at the same time, however, 43% also expect an increase in investment and only 7% expect a decrease. Venture capital companies are especially optimistic, where even 48% expect an investment increase. In contrast, this is only 38% for growth financing/buy-out companies.

Co-investments with other investment companies or other financial partners are a common strategy, in particular in the venture capital sector, in order to minimize one's own investment risk and increase investable capital. Two thirds of the companies surveyed assume unchanged co-investment activities with other investment companies. At the same time, however, 30% expect an increase. This figure is considerably higher with growth financing/buy-out companies at 38% than with venture capital companies at 22%. It is clear that companies expect co-financing strategies to crystallize in the later phase. Investment companies also appear open to co-investment with other financial partners such as strategic investors, companies or private individuals. One in four of those surveyed expects an increase in appropriate co-financing, while there are no significant differences between the market segments.

For 2018, the companies surveyed generally foresee a continued increase in company valuations. Almost two thirds of those surveyed in the previous year expected unchanged valuations, which is now only 43%. More than half expect an increase in valuations, more than double than in the previous year. With venture capital companies, the share of companies assuming increasing valuations clearly more than doubled in comparison with the previous year from 28% to 62%. This figure doubled with growth financing/buy-out companies from 24% to 47%.

For 2018, investment companies are rather confident with regard to successful investment sales. While more than half assume unchanged exit activity, 40% still expect an increase in sales. The opinions of venture capital companies and growth financing/buy-out companies hardly differ here.

Historically, trade sales and sales to other investment companies are the most frequent type of investment sales, whereas IPOs by comparison play a secondary role not only in Germany. There are clear differences in expectations for 2018 with regard to individual exit channels. In general, companies appear the most optimistic about trade sales and sales to other investment companies (secondaries/secondary buy-outs), even if the majority expect no changes. For trade sales, 42% see a slight or clear increase. This figure is at least 28% for sales to other investment companies.

The companies surveyed seem comparably reserved as in the previous year with regard to IPOs and sales to management (buy-backs). 72% or 79% of those surveyed expect both to remain unchanged. However, one in five still assume an increase in exits via the stock exchange, which may be attributed to the overall positive stock market and IPO environment.

⁴ German Council of Economic Experts: Annual Report 2017/18

⁵ Source: BVK Statistic "2018 private equity forecast - expectations of German investment companies on market development, the Federal German Association of Capital Investment Companies, February 2018."

9.3 OUTLOOK FOR HELIAD

Heliad's business model is based on a medium to long-term period of evaluation and forecasts. At the start of the financial year, unforeseeable events and short-term developments can significantly influence the result of the Heliad Group and its parent company. As a result, developments in the markets of portfolio companies, in the capital market and company sales also lead to positive or negative impacts in the short term without the long-term success of Heliad being affected. For this reason, the result of individual financial years reveals little about the success and the performance of our business model. We therefore forecast our business success based on the important performance indicators both for the parent company and the Heliad Group. These indicators are the NAV and available cash, as explained under the item Company management/ goals.

In the description of our forecast we use the following terms similarly to the quantifiable changes:

Changes	Description
Up to 10%	"slight"
10 - 25%	"significant"
Over 25%	"strong"

PORTFOLIO DEVELOPMENT (NET ASSET VALUE - NAV)

For the 2018 financial year, we assume the NAV per share to increase considerably above the level of the previous year (EUR 12.22).

These expectations, in particular, arise due to the possible value increases in the PE portfolio.

AVAILABLE CASH

Heliad plans to continue its current investment strategy. It is planned to make up to three new investments in 2018. Depending on the situation, purchases and sales may be postponed. In general, we anticipate a steady number of investments in the coming years. In the long term, the company plans to make a similar number of acquisitions and disposals. Free liquidity is expected to stabilize at the current level as we intend to enter into promising long-term investment opportunities and available liquidity may not contribute to a positive result with the current low interest rates. We always consider the risk of follow-up financing in individual investments during the holding phase.

OVERALL STATEMENT ON FORECAST DEVELOPMENT

Against the backdrop of the current portfolio and the established investment strategy, Heliad has a good basis for a successful company performance in 2018 and in subsequent years. The economic development and situation in the equity market will have an impact on overall performance which cannot currently be estimated to an accurate degree. Nevertheless, Management is convinced that Heliad's business performance will be positive in 2018.

10. Dependency report

FinLab AG, Frankfurt am Main, held more than 25% of the stocks in the company as of December 31, 2017. FinLab AG is also the sole stockholder of the general partner of the company, Heliad Management GmbH, Frankfurt am Main. On the basis of the voting majority at the annual general meeting of June 22, 2017, FinLab AG 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 annual general meetings, so that Heliad Equity Partners GmbH was a controlled enterprise of FinLab AG in accordance with Section 17 (1 and 2) German Stock Corporation Act (AktG) as at December 31, 2017.

The directly controlling company (FinLab AG, Frankfurt am Main) was categorized as an associated enterprise with respect to other companies as at December 31, 2017 within the meaning of Section 15 AktG. Mr. Berd Förtsch, Kulmbach, is directly controlling within the meaning of Section 17(1) AktG.

The management of the general partner has therefore created a report on relationships with affiliated companies pursuant to Section 312 German Stock Companies Act (AktG) for the 2017 financial year. This report concludes with the following statement:

“I declare that the Company received appropriate consideration for the legal transactions performed in the report regarding the relationships with affiliated companies from January 1 until December 31, 2017, according to the circumstances which were known at the time when the legal transactions were performed or measures were taken and, as a result of measures being taken or not, the company has not been affected.”

Frankfurt am Main, February 21, 2018

Thomas Hanke
Managing Director of the General Partner
Heliad Management GmbH

Group management report and Notes to the Consolidated Financial Statements

Consolidated Profit and Loss Account for financial year 2017

in thousand Euro	Appendix	01/01/ - 12/31/2017	In comparison 01/01/ -12/31/2016
Income from the sale of financial assets	6.1	19,483	3,545
Other operating income	6.2	91	6
Gains from the fair value assessment	6.3	47,057	2,523
Retirement of financial assets	6.4	-14,724	-3,826
Amortizations on intangible assets	6.5	-4	-2
Other operating expenses	6.6	-3,516	-5,600
Gains from investments and securities	6.7	51	61
Expenses from the fair value assessment	6.3	-9,266	-19,713
Other financial income	6.8	481	817
Interest and similar expenses	6.8	-59	-19
Earnings before tax		39,594	-22,210
Taxes on income	6.9	-520	249
Period result		39,074	-21,962
thereof			
The net profit for the period owed to shareholders of the parent company		39,074	-21,962
Average number of shares issued		9,721,603	9,509,441
Earnings per share (diluted and undiluted) in EUR	6.10	4.02	-2.31

Consolidated Statement of Comprehensive Income for financial year 2017

in thousand Euro	Appendix	01/01/ - 12/31/2017	in comparison 01/01/ -12/31/2016
Items that can be reallocated in the profit and loss under certain conditions in future			
Changes in reserve for currency conversion	7.5	0	1,467
Consolidated overall profit		39,074	-20,495
Thereof consolidated overall profit for the period owed to shareholders of the parent company		39,074	-20,495

Consolidated Balance Sheet for financial year 2017

Assets

in thousand Euro	Appendix	12/31/2017	in Comparison 12/31/2016
NON-CURRENT ASSETS			
Other intangible assets		5	9
Financial assets	7.1	117,266	79,126
NON-CURRENT ASSETS - TOTAL		117,271	79,135
CURRENT ASSETS			
Marketable securities		14	136
Other assets	7.2	4,901	4,167
Tax receivables	7.3	24	77
Cash and cash equivalents	7.4	357	129
CURRENT ASSETS - TOTAL		5,295	4,509
BALANCE SHEET TOTAL		122,567	83,644

Liabilities

in thousand Euro	Appendix	12/31/2016	in Comparison 12/31/2015
STOCK CAPITAL			
Subscribed capital	7.5	9,873	9,509
Capital reserve		31,216	29,318
Retained earnings		39,502	62,890
Net result for the period apportionable to the limited liability shareholders of the company		39,074	-21,962
EQUITY, TOTAL		119,666	79,756
LONG-TERM LIABILITIES			
Deferred taxes	5.3	964	434
Long-term provisions	7.6	6	6
NON-CURRENT LIABILITIES - TOTAL		970	439
SHORT-TERM LIABILITIES			
Provisions	7.6	171	213
Trade payables	7.7	35	58
Payables to credit institutions	7.7	1,651	2,190
Payables to companies in which we participate	7.7	0	910
Other liabilities	7.7	75	77
CURRENT LIABILITIES - TOTAL		1,931	3,448
BALANCE SHEET TOTAL		122,567	83,644

Consolidated Statement of Changes in Equity for financial year 2017

January 1, 2017 to December 31, 2017	Subscribed capital	Capital reserve	Retained earnings	Equity components attributable to shareholders total	Equity total
in thousand Euro					
AS AT 01/01/2017	9,509	29,318	40,929	79,756	79,756
Period result			39,074	39,074	39,074
CONSOLIDATED TOTAL PROFIT			39,074	39,074	39,074
Capital increase	364	1,618		1,982	1,982
Options program		280		280	280
Dividends			-1,426	-1,426	-1,426
AS AT 12/31/2017	9,873	31,216	78,577	119,666	119,666
Appendix	7.5				

Consolidated Statement of Changes in Equity for financial year 2016

January 1, 2016 to December 31, 2016	Subscribed capital	Capital reserve	Retained earnings	Equity components attributable to shareholders total	Equity total
in thousand Euro					
AS AT 01/01/2016	9,509	29,170	63,327	102,005	102,005
Period result			-21,962	-21,962	-21,962
Liquidation of reserve for curren- cy conversion			1,467	1,467	1,467
CONSOLIDATED TOTAL PROFIT			-20,495	-20,495	-20,495
Options program		148		148	148
Dividends			-1,903	-1,903	-1,903
AS AT 12/31/2016	9,509	29,318	40,929	79,756	79,756
Appendix	7.5				

Consolidated Cash Flow Statement for financial year 2017

in thousand Euro		01/01 - 12/31/2017	in Comparison 01/01 - 12/31/2016
Period result		39,074	-21,962
+ Appreciation of the asset values of non-current assets	6.3	9,270	19,715
- Value increase of financial instruments	6.3	-47,057	-2,523
-/+ Gains/losses on the disposal of financial assets	6.1/6.4	-4,759	282
+/- Increase/decrease in accruals	7.6	-42	1
+/- Other non-operative expenses and income	6	811	1,328
+ Decrease in receivables and other assets	7.2	-558	-1,305
+ Increase in other liabilities	7.7	-38	931
= CASHFLOW FROM OPERATING ACTIVITIES		-3,330	-3,533
- Net cash flows from investments in intangible fixed assets		0	-11
+ Proceeds from disposals of financial assets and securities	7.1	19,483	3,545
+ Proceeds within the scope of short-term treasury management	7.2	408	4,500
- Payments within the scope of short-term treasury management	7.2	-1,254	-1,520
- Outgoing payments from disposals of financial assets and securities	7.1	-15,125	-12,643
= CASHFLOW FROM INVESTING ACTIVITIES		3,512	-6,128
+ Incoming payments from taking out loans	7.7	0	2,190
+ Incoming payments from capital increase	7.5	1,981	0
- Repayments of loans	7.7	-539	0
- Dividend payments	7.5	-1,426	-1,902
= CASHFLOW FROM FINANCING ACTIVITIES		16	288
Net change in cash and cash equivalents		228	-9,373
+ Cash and cash equivalents at beginning of period	7.4	129	9,502
= CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7.4	357	129

Notes to the Consolidated Financial Statements (IFRS)

1. INFORMATION ABOUT THE COMPANY

Heliad Equity Partners GmbH & Co. KGaA (Heliad) is headquartered in Grüneburgweg 18 in Frankfurt am Main/Germany and is entered in the commercial register at the Municipal Court of Frankfurt am Main under HRB 73524.

Heliad supports companies during their growth and change phases as an equity partner. The company receives funds from investors via its listing in the scale standard of the Frankfurt Exchange exclusively for investing the funds for the purpose of achieving value enhancements and return on capital. The success of the investments is evaluated on the basis of the fair value.

Heliad meets the definition of an investment company in accordance with IFRS 10.

2. BASICS OF THE CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statement is prepared in euros (EUR), the functional currency of the Group. Unless indicated otherwise, all amounts are rounded to thousands of euros. For this reason, rounding-off differences may occur.

The company's fiscal year corresponds to the calendar year.

The consolidated financial statement comprises the balance sheet, income statement and statement of comprehensive income, statement of changes in equity, cash flow statement and the notes. The income statement is prepared on a total-cost basis.

The Framework for the Preparation and Presentation of IFRS financial statement defines among the requirements for the statements to determine the relevance of a piece of information, in addition to its type, also the materiality as a conditional factor. The determination of the company-specific definition of materiality should be based on the primary objective factors. In preparing Heliad's consolidated financial statement, therefore, a threshold value of 1% of the net asset value (NAV), as calculated for the financial statement previously prepared, must be regarded as material for the relevance of the information.

The consolidated financial statement has been prepared 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 applicable as mandatory for the 2017 financial year. The revised accounting pronouncements had no material impact on the company's assets, financial position and results. The option of the early application of new standards has not been exercised.

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

Standard	Content and relevance for the statement
Amendment to IAS 7 "Cash-Flow Statements"	Data Initiative No significant impacts
Amendment to IAS 12 "Taxes on earnings"	Estimate active latent taxes on unrealized losses No significant impacts

The following standards, amendments to standards, and interpretations have already been approved by the EU. Mandatory application only with future effect

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

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

Standard	Contents
IFRS 17	Insurance Contracts
IFRIC 22	Transactions in foreign currencies and paid in advance Considerations
IFRIC 23	Uncertainty as regards taxes on profits
Amendment of IFRS 2	Classification and assessment of business transactions with share-based compensation.
Amendments to IFRS 9:	Provisions for pre-term payments with negative compensatory payment
Amendments to IAS 28:	Long-term investments in affiliated companies and joint ventures
Annual Improvements to IFRS Standards (2015-2017)	Amendments to IFRS 3, IAS 12 and IAS 23
Amendments to IAS 40	Transfers real property held as financial investments

3. Basis of consolidation

The consolidated financial statement incorporates the financial statement of the parent company and the entities it controls. Heliad has control if:

- it can exert power over the investee,
- variable returns from its investment are excluded, and
- it can affect the level of yields using its authority to dispose.

Heliad reassesses whether it controls an investee or not if facts or circumstances indicate that one or more of the above-mentioned three criteria for control have changed.

If Heliad no longer has a voting majority, it still controls the investee if it nevertheless has a practical way of unilaterally determining the significant activities of the investee using its voting rights.

A subsidiary is included in the consolidated financial statement from the date on which Heliad gains control of the subsidiary until the date on which this control ends.

Subsidiaries of investment companies are excluded from full consolidation according to IFRS 10. Instead, an investment company is required to value its stocks in subsidiaries at fair value in the income statement, recognized as income or expenses, in accordance with IAS 39 (Financial Instruments: Fixing and Valuation). As a private equity company, Heliad meets the definition of an investment company in accordance with IFRS 10.

An exception exists for subsidiaries that provide Investment Related Services. These must be consolidated in the consolidated financial statement of the investment company. HEP Beteiligungs GmbH provides services relating to Heliad's investment activities as an intermediate holding company. It is therefore fully consolidated.

The following companies are included in the consolidated financial statement as at December 31, 2017 as companies controlled by Heliad:

Investments	Seat	Share in capital in %	Consolidation method used
HEP Beteiligungs GmbH	Frankfurt am Main	100.00	Full consolidation
Stapp AG	Hamburg	74.00	IAS 39

The annual financial statement of the companies included in the consolidated financial statement is based on uniform accounting and valuation principles. The reporting date for all companies included in the consolidated financial statement is December 31.

4. Investments with a share-ownership ratio greater than 20%

For shares held in affiliated companies, venture capital companies have as per IAS 28 the option of balancing investments according to the equity method or at fair value through profit or loss as per IAS 39 Financial Instruments: Fixing and Valuation. Heliad avails itself of this option and values affiliated companies at fair value through profit and loss.

In the following investments, the terms for exercising the option were met; they were fixed at fair value through profit and loss:

Investments	Share Capital nominal in thousand EUR	Heliad share as at 12/31/2016 In %	Inflow In %	Outflow In %	Heliad share as at 12/31/2016 In %
Cubitabo GmbH, Berlin	238	41.10	0.00	0.65	40.45

5. Accounting and valuation principles

The significant accounting policies that have been applied during the preparation of this financial statement are presented below. Unless otherwise indicated, the methods described were consistently applied to the reporting periods indicated.

5.1. 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 and the stocks with no controlling influence. The non-controlling stocks are measured at the proportionate stock of the identifiable net assets of the acquired company. Transaction costs incurred are recorded as expenses.

If in the course of capital consolidation there is a surplus of procurement costs in the investment by the parent company over the proportional, revalued share capital of the subsidiary, this surplus shall be assessed as goodwill in accordance with IFRS 3. These are not to be amortized as planned and an impairment test is instead to be carried out once a year in accordance with IAS 36 to determine the impairment. 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 performed more frequently

In the case of mergers, the goodwill is calculated as an excess of the acquisition costs of the interest over the acquired stock in the revalued equity of the acquired company, applying the provisions of IFRS 3. The recoverability of goodwill is tested at least once annually at the level of the cash-generating unit and in the event an impairment is identified written down to its realizable amount on an unscheduled basis.

As at December 31, 2017, no goodwill was recorded – as in the previous year.

5.2. FINANCIAL ASSETS

Financial assets are classified into the following four categories according to IAS 39:

- financial assets valued at fair value through profit or loss,
- financial assets held to maturity ,
- financial assets at fair value through profits or loss,
- loans and receivables.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets in the initial fixing and reviews the classification for each reporting date.

Loans as well as securities and investments assigned to long-term assets are shown under financial assets. All shares in companies not recorded as securities are shown under investments.

The securities allocated to investments and non-current assets are classified as “valued at fair value through profit or loss” (IAS 39).

Loans for which no fixed maturity has been agreed are stated as amortized acquisition costs.

When determining the fair value, Heliad used observable market data as much as possible. Based on the input factors used in the valuation techniques, the fair values are classified in different tiers in the fair value hierarchy.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Valuation parameters not involving the listed prices considered in Level 1 that however can be observed either directly (i.e. as a price) or indirectly (i.e. as a derivation from prices) for the asset or debt.
- Level 3: Valuation parameters for the asset or liability that are not based on observable market data. Marktdaten beruhen.

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.

The changes in value of financial assets classified as “financial assets at fair value in profit and loss” are recorded as gain or loss on the profit and loss account under the revenues or expenses from the fair value valuation.

Impairment fundamentally leads to a direct reduction in the carrying amount of the affected financial assets, with the exception of trade receivables, where the carrying amount is reduced through an allowance account. If a trade receivable is deemed to be irrecoverable, the use is posted to the allowance account. Changes in impairments are recorded in principle as affecting net income (in the other operating revenues or expenses).

Heliad charges off financial asset only if the contractual rights to the cash flows from the financial asset expire or if it transfers the financial assets as well as essentially all opportunities and risks associated with the property to a third party.

5.3. ONGOING AND DEFERRED TAXES

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.

As in the previous year, a uniform tax rate of 31.9% was applied. Along with the corporation tax of 15% and the solidarity tax of 5.5% applied to that, a business tax rate for Frankfurt am Main of 16.1% was also taken into account.

Offsetting deferred tax assets against deferred tax liabilities is, where practicable, undertaken 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.

The timing differences are as follows:

in thousand Euro	Timing differences		
	12/31/2017	Difference	12/31/2016
Financial assets and securities	58,776	31,568	27,208
other assets	84	84	0

This results in deferred taxes and income and expenses as follows:

in thousand Euro	Deferred taxes				Expenses (+)/income (-)	
	12/31/2017		12/31/2016		2017	2016
	Assets	Liabilities	Assets	Liabilities		
Financial assets and securities	0	-963	0	-434	502	-287
other assets	0	-27	0	0	27	0

Current tax expense is determined based on the taxable income for the year. Taxable income differs from the annual financial statement in the consolidated statement of income due to expenses and gains that are taxable or deductible in later years or never. The company's liability for current taxes is calculated on the basis of currently applicable tax rates.

5.4. Receivables and other assets

Receivables and other assets are initially valued at fair value or, as applicable, by taking into account transaction costs, and subsequently as amortized acquisition costs in accordance with the effective interest method. The impairments are recorded under other operating expenses.

5.5. LIQUID FUNDS

The cash and cash equivalents consist of bank balances.

5.6. 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. Long-term provisions are discounted if the interest effect resulting from discounting is significant.

5.7. LIABILITIES

Liabilities are initially valued at fair value or, as applicable, taking into account transaction costs, and subsequently amortized acquisition costs as per the effective interest method.

5.8. RECOGNITION OF INCOME

Income from the sale of financial assets relates to the income from the sale of financial assets. The retirement of securities and financial investments relates to the carrying amount upon disposal of financial assets.

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

Current gains from dividends received are shown under income from investments. These are recorded on the day of the dividend decision.

5.9. TAXES ON INCOME

The tax on income and earnings includes current and deferred taxes.

5.10. CURRENCY CONVERSION

The consolidated financial statement was prepared in euros. Receivables and liabilities in foreign currencies are valued at the closing prices applicable on the reporting date in the separate financial statement. Expenses and income are calculated using average rates in the separate financial statement. Currency differences arising from conversion are recognized as income or expenses.

The conversion of financial statement where the functional currency is not the euros was generally performed on the basis of average annual rates for the balance sheet items with closing prices on the reporting date and for the items of the income statement. The stockholders' equity is, however, converted using historical rates. Changes in value of the prior-year net assets owing to changes in price are recorded in equity capital not effecting net worth.

Foreign currency transactions are converted at the exchange rate applicable on the date of the transaction in euros.

5.11. LEASING

Lease payments for operating leases are recognized linearly as an expense over the term of the lease. The Heliad Group does not undertake activation of the leasing subject.

5.12. 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 level cannot be reliably determined. Contingent liabilities are not recognized in the balance sheet.

The volumes of obligations for contingent liabilities stated under Item 8.3. (Contingent liabilities and other financial liabilities) correspond to the scope of liabilities existing as at the reporting date and remaining deposit obligations for contingent contributions not yet called in for shares in privately held companies.

5.13. SIGNIFICANT ASSUMPTIONS AND ESTIMATES

The preparation of the consolidated financial statement requires assumptions, and estimates that affect the amounts and classification of assets and liabilities, income and expenses, and contingent liabilities which are entered in the balance sheet. The assumptions and estimates included in the consolidated financial statement primarily relate to the measurement of unlisted investments and the recognition and measurement of provisions. The measurement of listed investments and securities may also be subject to substantial short-term fluctuations.

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 Euro	12/31/2017	12/31/2016
Securities	92,920	49,832
Investments	17,747	21,326
Provisions	176	218

6. NOTES TO THE PROFIT AND LOSS ACCOUNT

6.1. INCOME FROM THE SALE OF FINANCIAL ASSETS

Shares of FinTech Group AG, DEAG Deutsche Entertainment AG, Max21 AG, and MagForce AG were sold.

6.2. OTHER OPERATING INCOME

Other operating revenues include essentially revenues from the liquidation of provisions.

6.3. INCOME AND EXPENSES FROM THE FAIR VALUE ASSESSMENT

The revenues and expenses from the fair value valuation include changes in value of financial assets that are to be recorded as affecting net income in accordance with IAS 39.

More details are provided in Item: 7.1. Financial assets explained

6.4. RETIREMENT OF FINANCIAL ASSETS

The retirement of financial assets relates primarily to shares in FinTech Group AG, DEAG Deutsche Entertainment AG, Max21 AG and MagForce AG.

6.5. AMORTIZATIONS ON INTANGIBLE ASSETS

Intangible assets were written off in the amount of EUR 4,000 (prior year EUR 2,000) according to schedule.

6.6. OTHER OPERATING EXPENSES

The other operating expenses relate to the following items:

Beträge in T-EUR	01.01. - 31.12.2017	01.01. - 31.12.2016
Costs of management and liability	-2,408	-3,305
Expense from options	-280	-148
Consulting and audit costs	-227	-203
Accounting and marketing	-136	-126
Creation of provisions	-90	-130
Expense of litigation	-33	-33
Expense from currency differences	0	-1,467
Remaining other operating expenses	-343	-187
	-3,516	-5,600

The remaining other operating expenses largely include costs for investor relations measures and insurance. The costs of management and liability are calculated in accordance with the articles of association.

The expenses for options result from the valuation of stock options issued as part of the stock option program. Since Heliad does not employ any employees of its own and therefore has no expenses for personnel, instead of being recorded as usual in personnel expenses the expenses for options are recorded in other operating expenses. Additional information on the stock option program is available under Item 8.10 Stock Option Program.

6.7. GAINS FROM INVESTMENTS AND SECURITIES

Earnings from investments and securities exclusively consist of dividends. In calculating cash flow from operating activities, dividends received in the amount of EUR 51,000 (prior year: EUR 61,000) are taken into account.

6.8. OTHER FINANCIAL INCOME AND INTEREST AND SIMILAR EXPENSES

The data mainly represents interest expenses and income from loans and bank accounts.

In calculating cash flow from operating activities during the reporting period, interest received in the amount of EUR 0 (prior year: EUR 247,000) and interest paid in the amount of EUR 59,000 (prior year: EUR 19,000) is taken into account.

6.9. TAXES ON INCOME

The taxes on income relate to current and deferred taxes.

in thousand Euro	01/01/ - 12/31/2017	01/01/ - 12/31/2016
Current tax income/expense for the period	11	-38
Deferred taxes arising from temporary differences for tax accounting	-530	287
	-520	249

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

in thousand Euro	01/01/ - 12/31/2016	01/01/ - 12/31/2016
EARNINGS BEFORE TAX	39,594	-22,210
Group tax rate	31.9%	31.9%
expected tax expenses	12,630	-7,085
current tax expenses	-520	249
actual tax rate	1.3%	-1.1%
expected tax expenses	-12,630	7,085
Tax-exempted valuation and disposal result	12,763	-5,591
Previously unrecognized deferred taxes on tax losses carried forwards	-127	-1,486
Taxes on non-deductible expenses and other tax effects	-525	241
current tax expenses	-520	249

In calculating cash flow from current operating activities during the reporting period, taxes paid in the amount of EUR 30,000 (prior year: EUR 38,000) are taken into account.

The distribution of dividends is subject to the capital gains deduction system in effect in Germany.

The deferred tax expenses related mainly to the formation of deferred tax liabilities on the basis of the measurement of financial assets performed in deviation from tax accounting.

As the parent company, Heliad generates tax-exempt income due to its business activities. In accordance with Section 8b KStG [Corporate Tax Act], 5% of the tax-free income remained as non-deductible business expenses.

Deferred tax on losses carried forward are not recognized because, due to the business pursued and their tax treatment, it is not likely that sufficient income will be generated in the future for the unused tax losses carried forward to be offset.

The tax losses carried forward are as follows:

in million Euro	12/31/2017	12/31/2016
Losses carried forward corporate income tax	52	51
thereof usable	0	0
Losses carried forward trade tax	22	23
thereof usable	0	0

The tax losses carried forward as at December 31, 2016 are determined subject to review by the tax authorities. The tax losses carried forward as at December 31, 2017 are based on the expected tax losses for the 2017 financial year. Taking into account the minimum tax, the tax losses carried forward can be carried forward indefinitely.

6.10. EARNINGS PER SHARE

The earnings per share are calculated as follows:

in thousand Euro	01/01/ - 12/31/2017	01/01/ - 12/31/2016
Net profit for the period apportionable to the limited liability shareholders	39,074	-21,962
Weighted average number of limited liability shares	9,712,603	9,509,441
Undiluted and diluted earnings per share (EUR)	4.02	-2.31

The average number of shares in circulation is calculated using a time weighting factor as follows:

	Financial year 2017	Financial year 2016
	9,509,441 x 161/365	9,509,441 x 365/365
	9,872,941 x 204/365	
Average number of shares outstanding	9,712,603	9,509,441

The management of the general partner proposes to the stockholders' meeting that a dividend of EUR 0.20 per share (PY: EUR 0.15) be distributed to the limited partners.

In Germany, dividends are subject to a withholding tax of 25% plus a solidarity surcharge of 5.5%.

7. NOTES ON THE BALANCE SHEET

7.1. FINANCIAL ASSETS

Financial assets include the following items:

in thousand Euro	01/01/ - 12/31/2017	01/01/ - 12/31/2016
Investments	17,747	21,326
Securities	92,920	49,832
Loans to companies in which we participate	6,599	653
Loans	0	7,315
	117,266	79,126

Heliad finances its portfolio companies also via the guarantee of debt capital. Insofar as it can be assumed that a conversion of equity capital will occur at a later point, these loans will be recorded in long-term assets as "loans to companies with which a shareholding relationship exists." Owing to the relatively short fixed interest period, the amortized acquisition costs correspond to fair value.

The loan recorded under lending in the previous year (EUR 7,305,000) was paid back over the course of the year. Additional information can be found in Section 8.6. (Affiliated persons and companies)

The investments and securities are "measured at fair value through profit and loss" in the valuation category.

Excluded from this are six (prior year: five) unlisted venture investments that are valued at acquisition costs in accordance with IAS 39.46(c), since no price listed on an active market is available and its attributable fair value cannot be reliably determined.

The investments and securities, for which a stock market price and regular trading on a stock exchange during the period under review existed on the reporting date, were measured on the basis of this price on the reporting date (fair value hierarchy: level 1). The attributable fair value thereby determined is not reduced either by package premiums or discounts for the sale of large stock packages or by discounts for costs of disposal.

in thousand Euro	12/31/2017	12/31/2016
Booking value of sharemarket listed financial assets and securities of circulating capital	92,934	49,968

Their assessment results in the following:

in thousand Euro	01/01/ - 12/31/2017	01/01/ - 12/31/2016
Increase of the fair value of sharemarket listed financial assets and securities of circulating capital	45,794	3
Decrease of the fair value of sharemarket listed financial assets and securities of circulating capital	-290	-19,713

The measurement of the unlisted Investments which are “measured at fair value through profit and loss” is performed using influence factors which can either be observed directly (as prices) or indirectly (from prices) (fair value hierarchy: level 2). The measurement is performed on the basis of relevant comparison values of recent transactions for the financial capital of the portfolio company (financing rounds). Where the observation of these contributing factors is at a greater interval to the valuation date, a review of the identified valuation approach using an appropriate and consistent methodology is performed on the valuation date.

Their measurement results in the following:

in thousand Euro	01/01/ - 12/31/2017	01/01/ - 12/31/2016
Increase of the fair value of non sharemarket listed financial assets and securities of circulating capital	1,263	2,520
Decrease of the fair value of non sharemarket listed financial assets and securities of circulating capital	-8,989	0

Shares in private equity funds (fair value hierarchy: level 3) are valued using the net asset value determined by the fund managers in the previous quarter, in which a 15% individual discount was applied, which is yielded from the time lag in the net asset value valuation.

7.2. OTHER ASSETS

As at the reporting date, there remain adjustments in value on bad debts totaling EUR 100,000.

As at the reporting date, financial assets amounting to EUR 2.3 million had been overdue for 30-90 days and not adjusted, since they are collateralized with a security and a mortgage in the full amount.

An impairment is performed if a financial asset appears to be irrecoverable. This is the case if the financial asset is overdue and not recoverably collateralized and no agreement on an extension of the payment deadline has been reached or if there are apparent indications or facts that preclude settlement.

Loans extended for short terms incl. amortized interest amounting to EUR 4,773,000 (prior year: EUR 4,110,000) are recorded under other assets.

7.3. TAX RECEIVABLES

The tax receivables consist of business tax prepayments and capital gains taxes that were paid to the tax office as part of dividends and interest income and the full payment of which is expected as part of the tax assessment.

7.4. CASH AND CASH EQUIVALENTS

The bank balances are fully compliant with the financial resources and mainly consist of current accounts and money market accounts.

7.5. STOCK CAPITAL

SUBSCRIBED CAPITAL

With the approval of the Supervisory Board of May 11, 2017, it was decided to increase the company's capital stock of EUR 9,509,441.00 by EUR 363,500.00 to EUR 9,872,941.00 from authorized capital 2013 by issuing 363,500 new par valued registered shares against cash contributions. The capital stock is EUR 9,872,941.00 and is fully paid in. It consists of 9,872,941 (PY: 9,509,441) no-par value shares with a nominal value of EUR 1.00.

The annual general meeting of July 8, 2014 authorized the general partner to acquire treasury stocks in the period up to July 7, 2019 of up to ten percent of the subscribed capital existing at the time the resolution was passed. The authorization may be exercised in whole or in part. The stocks may be purchased via the stock exchange, by means of a public purchase offer or as a public invitation to submit offers for sale. With the consent of the Supervisory Board, the acquired stocks may be sold on the stock exchange or through a public offer and can be fully or partially retracted.

With the consent of the Supervisory Board, the general partner is authorized to increase the stock capital of the Company by issuing new no-par value registered ordinary stocks in the form of stocks with a notional value of EUR 1.00 per stock in cash or in kind until Sunday, August 19, 2018, in partial amounts totaling up to EUR 5,087,381.00 (Authorized Capital 2013). Subject to approval by the Supervisory Board, the general partner is authorized to exclude the subscription rights of the limited partners. With the approval of the Supervisory Board, the general partner is also authorized to establish the further details of the capital increase and other conditions of the stock issue. As a result of the capital increase in 2017, the 2013 authorized capital was reduced to EUR 4,723,881.

With the approval of the Supervisory Board, the general partner is authorized to issue on one or more occasions bearer and/or registered option and/or convertible bonds, participation rights, and/or participating bonds (or combinations of these instruments) with a total nominal amount of up to EUR 50,000,000.00 with the company or its domestic or foreign majority shareholdings until June 30, 2021 with or without a term limit and to grant the holders or creditors of debt instruments option or conversion rights (including with a conversion obligation) for registered new no-par value shares in the company with a pro rata amount of the capital stock of up to a total of EUR 3,803,261.00 in close adherence to the loan terms and conditions of the debt instruments.

The capital stock has been conditionally increased by up to EUR 3,803,261.00 through the issuance of up to 3,803,261 new no par value shares (contingent capital 2016/I). The conditional capital increase will only be carried out to the extent that the holders or creditors of option and/or convertible bonds, participating bonds, and/or participation rights with option and/or conversion rights or obligations that the company or its domestic or foreign majority shareholdings issued in accordance with the authorization resolution of the Annual General Meeting of July 12, 2016 through June 30, 2021 exercise their option or conversion rights under these debt securities or fulfill their obligation to convert them, in each case to the extent that the conditional capital 2016/I is required in accordance with the terms and conditions of the option or convertible loan.

The company's capital stock has been conditionally increased by up to EUR 950,944.00 through the issuance of up to 950,944 new no par value shares (contingent capital 2016/II). The conditional capital 2016/II serves exclusively to secure subscription

rights that are issued to members of the executive board of the general partner, to employees of the general partner and employees of the company as well as to members of the management and employees of affiliated companies of the company on the basis of the authorization granted by the General Meeting of Shareholders on July 12, 2016 within the framework of the Stock Option Program 2017 up to and including June 30, 2021.

During the 2016 fiscal year, a total of 412,000 share option rights and in fiscal 2017 a total of 132,000 share option rights were issued to members of senior management and employees of the general partner, which at the end of a four-year waiting period authorize the subscription of one company share per option right.

CAPITAL RESERVE

The capital reserve contains the amount realized above the (calculated) nominal value during the issuance of shares (issuance premium).

The capital reserve also includes the amount resulting from the valuation of share options issued. Additional information on the stock option program is available under Item 8.10 Stock Option Program.

RETAINED EARNINGS

Retained earnings include profits carried forward from previous periods.

In fiscal 2017, Heliad distributed a dividend in the amount of EUR 0.15 per share (prior year: EUR 0.20 per share), total EUR 1,427,000 (prior year: EUR 1,902,000) to its limited partners.

7.6. PROVISIONS

OTHER LONG-TERM PROVISIONS

The archiving obligations are shown under the long-term provisions (EUR 6,000; previous year: EUR 6,000) are recorded under other assets.

TAX PROVISIONS AND OTHER CURRENT PROVISIONS

The other provisions are made up as follows:

in thousand Euro	12/31/2016	Consumption	Resolution	Allocation	12/31/2017
Audit expenses	58	-58	0	58	58
supervisory board remuneration	14	-14	0	14	14
Provisions for taxation	41	-41	0	0	0
Other	100	-19	0	18	99
	213	-132	0	90	171

A recourse to all provisions is very likely. The other provisions include, inter alia, provisions for the preparation of tax returns and for outstanding invoices.

7.7. LIABILITIES

PAYABLES TO CREDIT INSTITUTIONS

The Raiffeisenbank Attersee-Süd eGen provided Heliad with a line of credit of up to EUR 6.5 million. The credit agreement has a term that expires on 08/31/2019. The utilized portion of the line of credit has a current interest rate of 2.75% p.a. The interest rate is coupled to the 3-month EURIBOR performance. The unused credit line is subject to a provision in the amount of 0.75% p.a.

As security a securities custody account was opened with Raiffeisenbank and deposited as a pledge. As at the reference date, Heliad is using EUR 1.7 million of this line.

PAYABLES TO COMPANIES IN WHICH WE PARTICIPATE

The reported liabilities of the previous year result from deposits to the equity capital of a portfolio company not yet paid in.

OTHER LIABILITIES AND TRADE PAYABLES

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

8. Other information

8.1. SEGMENT REPORTING

As the “chief operating decision maker” within the meaning of IFRS 8.7, the general partner of the company, Heliad Management GmbH, regularly reviews information about the performance 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. Heliad is accordingly managed as a “single-segment entity” (SSE), as a result of which the financial and other effects of business activities can be identified on the basis of the elements at hand in the consolidated financial statement and consolidated Management Report. 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 net asset value is a central measure of success control and monitoring of the Company. Reference is made to Item 8.8. 8.8. Capital management.

The Heliad Group operates exclusively within German-speaking countries; its income was generated in Germany. The reported long-term assets are located primarily in Germany.

8.2. ADDITIONAL INFORMATION ABOUT THE FINANCIAL INSTRUMENTS

The book values of the financial instruments, divided by category, for the effective dates of December 31, 2017 and December 31, 2016 are transferred to the statement of financial position in the following table:

DECEMBER 31, 2017 in thousand Euro	Fair value hierarchy	Fair value	Assessed on contin- ued acquisition costs	Balance sheet
NON-CURRENT ASSETS - FINANCIAL ASSETS				
Fair value of financial assets regularly valued at fair value				
Investments in the category "assessed at fair value through profit or loss"	Level 3	1,841		1,841
Investments in the category "assessed at fair value through profit or loss"	Level 2	6,799		6,799
Securities categorized as "assessed at fair value through profit and loss"	Level 1	92,920		92,920
Fair value of financial assets not regularly assessed at fair value, but for which the fair value is to be indicated				
Loans to companies in which we participate, assessed at acquisition cost	Level 3	6,599		6,599
Investments, valued at acquisition cost in accordance with IAS 39.46 c)	-	unreliable ascer- tainable	9,107	9,107
NON-CURRENT ASSETS - TOTAL		108,159	9,107	117,266
DECEMBER 31, 2017				
DECEMBER 31, 2017 in thousand Euro	Fair value hierarchy	Fair value	Assessed on contin- ued acquisition costs	Balance sheet
CURRENT ASSETS				
Fair value of financial assets regularly valued at fair value				
Securities categorized as "assessed at fair value through profit and loss"	Level 1	14		14
Fair value of financial assets not regularly assessed at fair value, but for which the fair value is to be indicated				
Other assets classified as "Loans and receivables"	Level 2	4,901	4,901	4,901
Cash and cash equivalents in the category "Loans and receivables"	Level 2	357	357	357
CURRENT ASSETS - TOTAL		5,272	5,258	5,272
DECEMBER 31, 2017				
DECEMBER 31, 2017 in thousand Euro	Fair value hierarchy	Fair value	Assessed on contin- ued acquisition costs	Balance sheet
CURRENT LIABILITIES				
Payables to credit institutions	Level 2	1,651	1,651	1,651
Trade payables assessed at amortized cost	Level 2	35	35	35
CURRENT LIABILITIES - TOTAL		1,686	1,686	1,686

DECEMBER 31, 2016 in thousand Euro	Fair value hierarchy	Fair value	Assessed on contin- ued acquisition costs	Balance sheet
NON-CURRENT ASSETS - FINANCIAL ASSETS				
Fair value of financial assets regularly valued at fair value				
Investments in the category "assessed at fair value through profit or loss"	Level 3	786		786
Investments in the category "assessed at fair value through profit or loss"	Level 2	13,590		13,590
Securities categorized as "assessed at fair value through profit and loss"	Level 1	49,832		49,832
Fair value of financial assets not regularly assessed at fair value, but for which the fair value is to be indicated				
Loans, assessed at acquisition costs	Level 3	7,315		7,315
Loans to companies in which we participate, assessed at acquisition cost	Level 3	653		653
Investments, valued at acquisition cost in accordance with IAS 39.46 c)	-	unreliable ascer- tainable	6,949	6,949
NON-CURRENT ASSETS - TOTAL		72,177	6,949	79,126
DECEMBER 31, 2016 in thousand Euro				
CURRENT ASSETS				
Fair value of financial assets regularly valued at fair value				
Securities categorized as "assessed at fair value through profit and loss"	Level 1	136		136
Fair value of financial assets not regularly assessed at fair value, but for which the fair value is to be indicated				
Other assets classified as "Loans and receivables"	Level 2	4,167	4,167	4,167
Cash and cash equivalents in the category "Loans and receivables"	Level 2	129	129	129
CURRENT ASSETS - TOTAL		4,432	4,296	4,432
DECEMBER 31, 2016 in thousand Euro				
CURRENT LIABILITIES				
Payables to credit institutions	Level 2	2,190	2,190	2,190
Payables to shareholdings	Level 2	910	910	910
Trade payables assessed at amortized cost	Level 2	58	58	58
CURRENT LIABILITIES - TOTAL		3,158	3,158	3,158

Due to the short-term (remaining) term of the financial assets and liabilities that are not regularly assessed at fair value through profit or loss, there were no differences between the book value and the fair value result.

If the price of the investments and securities valued in level 1 of the fair market hierarchy were to increase (fall) by 10%, long-term assets would increase (fall) by EUR 9,292,000 (prior year: EUR 4,997,000). These changes would result to an equivalent earnings effect in the income statement.

Finance instruments denominated in foreign currencies (Swiss francs) in the amount of TEUR 1015 (12/31/2016: TEUR 602) are shown in long-term assets. As at the reference date, an exchange rate of CHF/EUR 0.8580 (12/31/2016: CHF/EUR 0.9335) was fixed for valuing the financial instruments.

When assessing the investments in the category “measured at fair value through profit and loss”, which are measured at level 2, no significant changes would have applied if they had been carried out with plausible alternative assumptions.

The attributed fair values of the financial assets and debts listed above in levels 2 and 3 are determined in accordance with generally accepted assessment methods.

The gains recognized in the income statement are recognized in other financial income.

The value of financial investments may fall to zero in the event of the unfavorable business development of the issuer.

There were no transfers between levels of the fair value hierarchy.

A portfolio with guaranteed securities was deposited with Raiffeisenbank Attersee-Süd eGen as security for a line of credit. The line of credit will be reduced by an amount equivalent to the sale of shares in this portfolio. In addition, no financial assets are conferred as securities for liabilities or contingent liabilities.

8.3. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

The remaining payment obligations for agreed shareholdings not yet called in for shares in private partnerships amount to EUR 57,000 (PY: EUR 940,000) as at the accounting date.

Future obligations from service agreements amount to EUR 126,000 (prior year: EUR 126,000).

As at the reporting date, there were no guarantees and warranty obligations, as in the previous year.

As at December 31, 2017, there were no lease commitments in the Heliad Group, as in the previous year.

8.4. INFORMATION ON CORPORATE BODIES

The general partner, Heliad Management GmbH, Frankfurt am Main, is solely authorized and obliged to manage the company.

Managing Director for the general partner is

Thomas Hanke

Investment Banker, Düsseldorf

The same members of the supervisory board have been appointed:

Volker Rofalski (Chairman)

Managing Director of only natural munich GmbH, Munich

Kai Panitzki (deputy chairman)

Managing Director, BitStone Capital Beteiligungs GmbH, Cologne

Stefan Müller
Chief representative of Börsenmedien AG, Küps

8.5. AUDITOR'S FEES

A fee of EUR 60,000 plus statutory VAT is recorded in profit and loss as the fee for the group auditor for services rendered in auditing the financial statement (prior year: EUR 55,000).

In addition, the group auditor billed for other services in the amount of EUR 41,000 plus statutory VAT (prior year: EUR 3,000).

8.6. ASSOCIATED COMPANIES AND INDIVIDUALS

FinLab AG, Frankfurt am Main, held more than 25% of the shares in the company as at December 31, 2017. FinLab AG is also the sole stockholder of the general partner of the company, Heliad Management GmbH, Frankfurt am Main. On the basis of the voting majority at the annual general meeting of June 22, 2017, FinLab AG 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 annual general meetings, so that Heliad Equity Partners GmbH was a controlled enterprise of FinLab AG in accordance with Section 17(1 and 2) German Stock Corporation Act (AktG) as at December 31, 2017.

The directly controlling company (FinLab AG, Frankfurt am Main) was categorized as an associated enterprise with respect to other companies as at December 31, 2017 within the meaning of Section 15 AktG. Mr. Bernd Förtsch, Kulmbach, is directly controlling within the meaning of Section 17(1) AktG.

According to Section 8a of the Articles of Association, the general partner receives an activity and liability remuneration of 2.5% p.a. of the value of the balance sheet equity of the Group as at the reporting date of the previous financial year according to IFRS accounting rules, plus any sales tax. In addition, the general partner receives a profit-related remuneration amounting to 20% of the company's approved net income for the year before taxes.

Heliad Management GmbH, Frankfurt am Main received from Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main EUR 1,994,000 (prior year EUR 2,550,000) plus VAT for statutory activity and liability remuneration. The statutory remuneration for the capital increase was EUR 30,000 (prior year: EUR 0) plus VAT. The general partner received EUR 0 (previous year EUR 227,000) plus VAT as a profit-related remuneration in accordance with the Articles of Association

In accordance with Section 8b of the Articles of Association, the general partner or an associated company may also provide consulting services for Heliad or its subsidiaries in place of those provided by third company, at the same level as would be paid to a third party.

FinLab AG, Frankfurt am Main, charged Heliad Equity Partners GmbH & Co. KGaA EUR 191,000 for services rendered in the areas of marketing and accounting and third-party invoices (previous year: EUR 175,000) including any accruing turnover tax.

Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, granted BF Holding GmbH, Kulmbach, a loan for EUR 7.0 million. The loan was repaid including accrued interest (3% p.a.) on 05/31/2017. The repayment occurred through consignment of 419,500 shares in FinTech Group AG.

HEP Beteiligungs GmbH, Frankfurt am Main, granted Stapp AG, Hamburg, a loan of EUR 1.3 million (PY: EUR 1.0 million). This loan is fixed with interest rates of between 4-8% p.a.

Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, received as at December 31, 2017 a total of 2,528,544 shares (PY: 2,836,290 shares) in FinTech Group AG. The acquisition costs as at December 31, 2017 amounted to EUR 18.4

million (PY: EUR 15.6 million). Mr. Bernd Förtsch exerts a significant influence over FinTech Group AG through his investments.

As at the accounting date, there were claims against affiliated companies and persons in the amount of EUR 143,000 (prior year: EUR 390,000) and liabilities in the amount of EUR 42,000 (prior year: EUR 43,000).

The members of the Supervisory Board were entitled to Supervisory Board remuneration of EUR 48,000 plus VAT (previous year: EUR 48,000) in the reporting year.

8.7. RISK MANAGEMENT

The risk management objectives and methods have been established and documented in a risk manual. For the purpose of systemization, three groups of risks were formed:

1. STRATEGIC RISKS:

- Performance of the investment portfolio
- Financing
- Human resources

2. FINANCIAL RISKS, INCLUDING:

- Valuation risks from new investments
- Performance of existing investments
- Currency risk
- Liquidity risk
- Risks from guarantees, surety bonds and other off-balance sheet liabilities
- Legal risks

3. OPERATIONAL RISKS:

- Financial accounting, controlling and reporting
- Cash flows
- Data loss and other electronic data processing risks

For each area of potential risk, the early detection of risks, communication and risk management are controlled by defining and implementing appropriate countermeasures. The risks from financial instruments are of particular importance. The valuation risk is the risk that the fair value of investments will develop unfavorably. If the continued existence of an investment is in question, this investment or claims against the respective portfolio company may become worthless. The fair value of an investment can fundamentally depend on the individual business performance of the portfolio company and the overall economy, currency exchange rates and interest rates. As Heliad's portfolio company focuses its main activities in different sectors, Heliad's entire portfolio is relatively independent of cyclical fluctuations within the sectors due to its combination of sectors.

However, the value of individual portfolio companies may be heavily dependent on developments in individual sectors and sector-specific factors.

Fluctuating exchange rates only have a minor impact, as exchange rate-related fluctuations in value may also, however, have an indirect effect on the recoverability of portfolio companies if significant earning or asset effects occur as a result of exchange rate changes.

At the level of the parent company Heliad Equity Partners GmbH & Co. KGaA, Heliad only obtains outside financing to a small extent. The interest rate risk may, however, have an indirect effect to the extent that the investments in its portfolio are dependent on external financing. The liquidity risk for Heliad is rated as low due to available liquid assets, the high level of equity capital and available lines of credit.

8.8. CAPITAL MANAGEMENT

Heliad's liquidity risk is considered to be subordinate due to the existing liquidity, high equity ratio, and available credit limit.

Heliad manages its capital with the aim of maximizing income for its stakeholders. The net asset value (NAV) per stock is an important indicator. The Company aims to continuously increase the NAV. As of the reporting date, the NAV amounted to EUR 12.22 per share (previous year: EUR 8.43/share).

The aim of the management is to allow the limited liability stockholders to participate in the value growth of these portfolio companies as reflected in Heliad's NAV figure by investing in high-performance companies and developing these investments.

Investments are only made if it can be ensured that Heliad is able to meet its payment obligations at all times. For this purpose, the stock of liquid assets and planned revenue inflows and outflows are monitored on a daily basis by management.

As Heliad does not seek long-term debt financing, no additional control measures have been implemented with regard to capital management.

The details about the equity components are presented in the statement of financial position and explained in the notes under Item 7.5. Equity capital.

8.9. EMPLOYEES

No people were employed by the company in the basis of consolidation, as in the previous year.

8.10. SHARE OPTION PROGRAM

On June 29, 2016, Heliad's annual general meeting resolved that, with the approval of the Supervisory Board, the Executive Board may issue subscription rights to shares in the company on one or more occasions up to June 30, 2021 which entitle the holder to subscribe up to 950,944 no par shares in the company with a term of up to six years under the 2016 stock option program.

The option rights from share options may be initially exercised following expiration of the statutory four-year waiting period in accordance with Section 193(2) No. 4 AktG. It begins upon issuance of the respective share option.

The condition for exercising an option consists of expiration of the waiting period, achievement of performance targets. Each party entitled can exercise his/her option rights if on any given trading day the market price for the company's share increases:

- | | |
|--------------|---|
| Objective 1: | Within the period from the day on which the subscription rights are issued until the expiration of two years after this day is increased by at least 50% or |
| Objective 2: | Within the period from the day on which the subscription rights are issued until the expiration of three years after this day is increased by at least 75% or |
| Objective 3: | Within the period from the day on which the subscription rights are issued until the expiration of four years after this day is increased by at least 100%. |

In the event of an exchange of share options for shares, the subscription price shall be paid for each share acquired by exchange.

The attributed fair value was determined as at the respective date of issuance with the use of a binomial model. In doing so, in addition to the criteria stipulated by the option terms (e.g. waiting period, performance goals, non-forfeiture), expected dividends in the amount of 3.0%, the volatility of the previous six-year period in the amount of 37.41% (2017) and 41.02% (2016) (calculated on the basis of log returns) and a zero-risk interest rate of -0.23% (2017) and -0.3% (2016) (yield on government bonds with a six-year maturity) were taken into account.

The expense from the option valuation is distributed on a monthly basis over the four-year waiting period, recorded in other operating expenses and shown in capital reserves.

As at the reference date, no options are exercisable, forfeited, exercised, or expired.

Share options have no influence on the calculation of the diluted result as the market price is below the subscription price.

The following options have been issued thus far:

Issue	Number	Reference price	Basic value	Performance target 1	Performance target 2	Performance target 3	Fair value	value per share option
10/27/2016	412,000	EUR 6.50	EUR 5.71	EUR 8.57	EUR 9.99	EUR 11.42	EUR 530,877.53	EUR 1.29
03/31/2017	132,000	EUR 6.50	EUR 5.33	EUR 8.00	EUR 9.33	EUR 10.66	EUR 135,524.82	EUR 1.03
Total	544,000							

8.11. EVENTS AFTER THE BALANCE SHEET DATE

Effective 03/01/2018, all shares of Cubitabo GmbH held by the Heliad Group were incorporated into Sleepz Home GmbH. In addition, Heliad invested additional resources in Sleepz Home GmbH as part of a capital increase.

In February 2018, Heliad granted Libify GmbH a convertible loan in six figures.

In February 2018, Heliad invested a six-figure amount in Cyan AG.

8.12. OTHER INFORMATION

The consolidated financial statement was as prepared by the company. It is presumed that in its meeting on March 28, 2018, the Supervisory Board will approve the consolidated financial statement and the Supervisory Board report. Upon approval by the Supervisory Board, the consolidated financial statement will be released for publication.

Frankfurt am Main, February 21, 2018

Thomas Hanke
Managing Director of the General Partner
Heliad Management GmbH

Appendix

Consolidated assets analysis for 2017

in thousand Euro	Acquisition costs					Allowances					Booking value	
	1/1/2017	Rebookings	Start of the period	End of the period	12/31/2017	1/1/2017	End of the period	Reductions in the period	Increases in the period	12/31/2016	12/31/2017	12/31/2016
I. INTANGIBLE ASSETS	169	0	0	0	169	-160	0	-4	0	-164	5	9
II. FINANCIAL ASSETS	52,988	0	22,508	-16,059	59,437	26,138	-6,210	-9,156	47,057	57,829	117,266	79,126
TOTAL FIXED ASSETS	53,157	0	22,509	-16,059	59,607	25,978	-6,210	-9,160	47,057	57,665	117,271	79,135

Consolidated assets analysis for 2016

in thousand Euro	Acquisition costs					Allowances					Booking value	
	1/1/2016	Rebookings	Start of the period	End of the period	12/31/2016	1/1/2016	End of the period	Reductions in the period	Increases in the period	12/31/2016	12/31/2016	12/31/2015
I. INTANGIBLE ASSETS	158		11		169	-158		-2		-160	9	0
II. FINANCIAL ASSETS	33,964	7,315	14,736	-3,028	52,988	44,061	-799	-19,647	2,523	26,138	79,126	78,025
TOTAL FIXED ASSETS	34,122	7,315	14,747	-3,028	53,157	43,903	-799	-19,649	2,523	25,978	79,135	78,025

Auditor's Opinion

Auditor's report

To Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main:

We have audited the consolidated financial statements, comprising of the balance sheet, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow and the notes to the consolidated financial statements of Heliad Equity Partners GmbH & Co. KGaA for the business year from January 1 to December 31, 2017. The preparation of the consolidated financial statements in accordance with IFRSs as adopted by the EU and supplementary provisions of the articles of incorporation is the responsibility of the company's Managing Director/s. Our responsibility is to express an opinion on the consolidated financial statements based on our audit.

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

Our audit has not led to any reservations.

In our opinion based on the findings of our audit the consolidated financial statements comply with the IFRS, as adopted by the EU, and supplementary provisions of the articles of incorporation and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements.

Grünwald, March, 9, 2018

ifb Treuhand GmbH
Wirtschaftsprüfungsgesellschaft

Steffen Urban
Wirtschaftsprüfer
(German Public Auditor)

Annual financial statements and Notes (HGB)

Profit and Loss Account for financial year 2017

Amounts in EUR	01/01/ - 12/31/2017	in comparison 01/01/ -12/31/2016
1. Other operating income	11,646,728.87	829,935.27
2. Amortizations on intangible assets	-3,747.40	-2,083.00
3. Other operating expenses thereof exchange rate differences	-3,302,951.55 0,00	-3,970,278.45 -10.32
4. Income from investments	63,013.81	49,114.66
5. Income from other securities and loans of financial assets thereof from affiliated companies	794,792.42 789,342.58	954,614.08 521,764.08
6. Other interest and similar income	228,434.75	291,336.59
7. Amortizations on financial assets and securities of circulating capital	-5,956,984.87	-965,891.53
8. Interest and similar expenses	-58,676.36	-19,430.84
9. Tax on income	10,739.00	-38,267.40
10. Earnings after tax	3,421,348.67	-2,870,950.62
11. Annual surplus/ deficit	3,421,348.67	-2,870,950.62
12. Unappropriated retained earnings brought forward	7,417,165.68	11,714,532.45
13. Net profit	10,838,514.35	8,843,581.83

Balance Sheet for financial year 2016

Assets

Amounts in EUR	12/31/2017	in Comparison 12/31/2016
A FIXED ASSETS		
I, Intangible assets		
1, Concessions acquired against payment, commercial protection rights and similar rights and values as well as the licenses to such rights and values	5,308.00	8,627.00
II, Financial assets		
1, Shares in affiliated companies	25,000.00	25,000.00
2, Loans to affiliated companies	10,820,451.90	20,007,359.32
3, Other financial assets	11,206,441.82	6,444,168.87
4, Loans to companies in which we participate	1,756,249.50	400,850.00
5, Securities	27,453,706.35	25,368,614.48
	51,267,157.57	52,245,619.67
B CURRENT ASSETS		
I, Receivables and other assets		
1, Receivables from companies in which we participate	4,216,770.81	0.00
2, Other assets	2,768,214.64	2,653,575.77
	6,984,985.45	2,653,575.77
II, Securities	13,630.00	136,300.00
III, Bank balances	267,386.43	109,307.79
	58,527,851.45	2,899,183.56
C DEFERRED INCOME	43,899.06	39,759.76
BALANCE SHEET TOTAL	58,577,058.51	55,193,562.99

Liabilities

Amounts in EUR	12/31/2017	in Comparison 12/31/2016
A STOCK CAPITAL		
I, Subscribed capital	9,872,941.00	9,509,441.00
II, Capital reserve	35,933,238.48	34,297,488.48
III, Net profit	10,838,514.35	8,843,581.83
	56,644,693.83	52,650,511.31
B PROVISIONS		
I, Provisions for taxation	0,00	40,685.00
II, Other provisions	171,860.00	176,456.00
	171,860.00	217,141.00
C LIABILITIES		
I, Payables to credit institutions	1,651,015.54	2,190,159.08
- thereof with a remaining term of up to one year	1,651,015.54	2,190,159.08
II, Trade payables	34,521.51	58,403.98
- thereof with a remaining term of up to one year	34,521.51	58,403.98
III, Payables to affiliated companies	11,900.00	14,280.00
- thereof with a remaining term of up to one year	11,900.00	14,280.00
IV, Other liabilities	63,067.63	63,067.62
- thereof with a remaining term of up to one year	63,067.63	63,067.62
- thereof taxes	0.00	0.00
	1,760,504.68	2,325,910.68
BALANCE SHEET TOTAL	58,577,058.51	55,193,562.99

Notes (HGB) for financial year 2017

1. General information

Heliad Equity Partners GmbH & Co. KGaA (Heliad) is headquartered at Grüneburgweg 18 in Frankfurt am Main and is entered in the commercial registry of the Municipal Court of Frankfurt am Main under number HRB 73524.

The annual financial statement of Heliad Equity Partners GmbH & Co. KGaA was prepared in accordance with the provisions of Book III of the German Commercial Code (Handelsgesetzbuch) and the German Stock Companies Act (Aktiengesetz).

Per Section 267(1) HGB [German Commercial Code], the company is a small corporate enterprise and has made use of the simplification provisions for small corporate enterprises.

The consolidated statement of income was prepared using the total cost method

2. Accounting and valuation principles

The balance sheet of Heliad Equity Partners GmbH & Co. KGaA is categorized in accordance with sections 266 et seqq. HGB. The measurement of assets and liabilities has been performed in accordance with the valuation regulations under commercial law, observing the generally accepted accounting principles.

The financial assets and marketable securities are valued at cost or at the fair value through profit or loss. Acquisitions of company shares with a stock capital in a currency other than euros were also recognized at cost and therefore entered in the balance sheet at the average spot exchange rate applicable at the time of acquisition.

The valuation of other financial assets and stocks in affiliated companies depend on the type of company to be valued on the basis of customary valuation methods, such as the discounted cash flow method and multiple valuation. In doing so, all available information is taken into consideration, including information provided by the company.

Investments in funds are valued on the basis of information provided by the funds, if available, in particular net asset value.

Receivables, other assets, balances on account with credit institutions, as well as accruals and deferred income are reported at nominal value. Where required, individual value adjustments were made.

Provisions are measured with the necessary settlement amounts according prudent commercial assessment taking into account all identified risks.

Liabilities are assessed with the settlement amounts.

The valuation of assets and liabilities in foreign currencies are valued in accordance with Section 256a HGB on the reporting date on the basis of the spot exchange rate.

3. Information and Notes to the Consolidated Balance Sheet

Fixed assets

During the reporting year, write-downs on financial assets in the amount of EUR 5,834,000 (PY: EUR 899,000) were applied in accordance with Section 253(3) (4) HGB.

Other operating revenues consist in essence of profits from the sale of investment securities in the amount of EUR 11,038,000 (PY: EUR 519,000) and revaluations of investment securities EUR 603,000 (PY: EUR 0).

Current assets

During the reporting year, there were unscheduled write-downs on circulating capital securities in the amount of EUR 123,000 (PY: EUR 67,000).

Receivables and other assets

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

Beträge in TEUR	31.12.2017	31.12.2016
Receivables against companies with participating interest	4,217	0
Other Assets		
Receivables from loans to outside parties	2,745	2,560
Other	24	94
	6,986	2,654

Share capital

With the approval of the Supervisory Board of May 11, 2017, it was decided that the company's capital stock would be increased by EUR 363,500.00 from EUR 9,509,441.00 to

EUR 9,872,941.00 through the issuance of 363,500 new registered no par value shares against cash contributions.

Capital stock stood at EUR 9,872,941.00 and is fully paid in.

It consists of 9,872,941 (PY: 9,509,441) no-par value shares, with a nominal value of EUR 1.00.

The annual general meeting of July 8, 2014 authorized the general partner to acquire treasury stocks in the period up to July 7, 2019 of up to ten percent of the subscribed capital existing at the time the resolution was passed. The authorization may be exercised in whole or in part. The stocks may be purchased via the stock exchange, by means of a public purchase offer or as a public invitation to submit offers for sale. With the consent of the Supervisory Board, the acquired stocks may be sold on the stock exchange or through a public offer and can be fully or partially retracted.

With the approval of the Supervisory Board, the general partner is authorized to increase capital stocks through August 19, 2018 by issuing new registered ordinary shares in the form of no par value shares with a calculated value of EUR 1.00 per share against cash or non-cash contributions once or in multiple installments in a total amount of up to EUR 5,087,381.00 (authorized capital 2013). Subject to approval by the Supervisory Board, the general partner is authorized to exclude the subscription rights of the limited partners. With the approval of the Supervisory Board, the general partner is also authorized to establish the further details of the capital increase and other conditions of the stock issue. Through the 2017 capital increase, the 2013 authorized capital was reduced by EUR 363,500 from EUR 5,087,381.00 to EUR 4,723,881.

With the approval of the Supervisory Board, the general partner is authorized to issue on one or more occasions bearer and/or registered option and/or convertible bonds, participation rights and/or participating bonds (or combinations of these instruments) with a total nominal amount of up to EUR 50,000,000.00 with the company or its domestic or foreign majority shareholdings until June 30, 2021 with or without a term limit and to grant the holders or creditors of debt instruments option or conversion rights (including with a conversion obligation) for registered new no-par value shares in the company with a pro rata amount of the capital stock of up to a total of EUR 3,803,261.00 in close adherence to the loan terms and conditions of the debt instruments.

The capital stock has been conditionally increased by up to EUR 3,803,261.00 through the issuance of up to 3,803,261 new no par value shares (contingent capital 2016/I). The conditional capital increase will only be carried out to the extent that the holders or creditors of option and/or convertible bonds, participating bonds and/or participation rights with option and/or conversion rights or obligations that the company or its domestic or foreign majority shareholdings issued in accordance with the authorization resolution of the Annual General Meeting of July 12, 2016 through June 30, 2021 exercise their option or conversion rights under these debt securities or fulfill their obligation to convert them, in each case to the extent that the conditional capital 2016/I is required in accordance with the terms and conditions of the option or convertible loan.

The company's capital stock has been conditionally increased by up to EUR 950,944.00 through the issuance of up to 950,944 new no par value shares (contingent capital 2016/II). The conditional capital 2016/II serves exclusively to secure subscription rights that are issued to members of the executive board of the general partner, to employees of the general partner and employees of the company as well as to members of the management and employees of affiliated companies of the company on the basis of the authorization granted by the General Meeting of Shareholders on July 12, 2016 within the framework of the Stock Option Program 2017 up to and including June 30, 2021.

During the 2016 fiscal year, a total of 412,000 share option rights and in fiscal 2017 a total of 132,000 share option rights were issued to members of senior management and employees of the individually liable partner and to company employees as well as to members of the management board and the employees of companies affiliated with the company, which at the end of a four-year waiting period authorize the subscription of one company share per option right.

Net profit for the previous year was EUR 8,843,581.83. It was reduced by a dividend distribution in the amount of EUR 1,426,416.15 (PY: EUR 1,901,888.20), which corresponds to a dividend of EUR 0.15 per share (PY: EUR 0.20 per share).

Liabilities

All liabilities have a maturity of up to one year.

Raiffeisenbank Attersee-Süd eGen provided Heliad with a line of credit of up to EUR 6.5 million. The credit agreement has a term that expires on 08/31/2019.

A stock portfolio serves as security, to which the bank is granted a right of lien. As at the reference date, Heliad is using EUR 1.7 million of this line.

4. Other financial obligations and contingent liabilities

Residual payment obligations for contingent contributions not yet called in for shares in privately held companies as at the accounting date are EUR 57,000 (PY: EUR 940,000).

The company issued a letter of intent to HEP Beteiligungs GmbH, Frankfurt am Main, limited to December 31, 2018 for a maximum of EUR 8,000,000 (PY: EUR 1,000,000). Recourse is considered unlikely owing to the company's limited third-party obligations.

As at the reporting date, there were no other guarantees and guarantee obligations.

5. Other information

Appropriation of net income

The management of the general partner proposes to the stockholders' meeting that the annual net income EUR 0.20 per stock should be distributed to the limited liability stockholders and that the remaining profit should be carried forward as profit.

Consolidated financial statements

As the parent company, Heliad Equity Partners GmbH & Co. KGaA provides prepares a consolidated financial statement according to the IFRS as adopted by the EU, as of

December 31, 2017 and a consolidated management report for the individual and consolidated financial statements for the 2017 financial year. The consolidated financial statement will be published in the electronic version of the Federal Gazette.

List of investments

company	based	stock capital	Proportion in Capital	Financial year	Profit
		in thousand EUR	in %		in thousand EUR
Direct investments					
HEP Beteiligungs GmbH	Frankfurt am Main	-7,077	100,0	2017	-6,246
Indirect investments					
Cubitabo GmbH*	Berlin	182	40,5	2016	-1,604
Stapp AG*	Hamburg	-935	74,0	2016	-801

*Proportion of capital as of 31/12/2017

Information about the existence of investments in the company

FinLab AG, Frankfurt am Main, reported the existence of an investment in the amount of 25.147% in Heliad Equity Partners GmbH & Co. KGaA through various assignments on February 10, 2012.

Information on corporate bodies

The general partner, Heliad Management GmbH, Frankfurt am Main, has subscribed capital in the amount of EUR 25,000. It is solely authorized and obliged to manage the company.

The Managing Director of the general partner is:

Thomas Hanke

Investment Banker, Düsseldorf

The following people are members or have been appointed members of the supervisory board:

Volker Rofalski (Chairman)
Managing Director of only natural munich GmbH, Munich

Kai Panitzki (deputy chairman)
Executive Director, BitStone Capital Beteiligungs GmbH, Cologne

Stefan Müller
Chief representative of Börsenmedien AG, Külps

Frankfurt am Main, February 21, 2018

Thomas Hanke
Managing Director of the General Partner
Heliad Management GmbH

Auditor's Opinion

Auditor's report

To Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main:

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

We conducted our audit of the annual financial statements in accordance with § 317 HGB [„Handelsgesetzbuch“: „German Commercial Code“] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures.

The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

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

Grünwald, March 9th, 2018

ifb Treuhand GmbH
Wirtschaftsprüfungsgesellschaft

Steffen Urban
Wirtschaftsprüfer
(German Public Auditor)

Supervisory Board Report

Supervisory Board Report for financial year 2017

Dear shareholders,

Over the previous fiscal year, we continued to conscientiously monitor management in accordance with law and the Company charter. The managing director of the personally liable partner kept the members of the Supervisory Board informed, either orally or in writing, with regard to all matters relating to planning and business development, financial performance and financial position, risk, risk management, and compliance. The Supervisory Board was involved in all significant business transactions and regularly consulted with management regarding Company policies and other fundamental issues. Management discussed and coordinated the Company's strategic direction and the status of its implementation with the Supervisory Board. The Supervisory Board at all times concerned itself with matters that by law and under the Company charter are subject to the involvement of the Supervisory Board. Cooperation with management was consistently characterized by courtesy and the requisite trust, and discussions were marked by openness between the two parties.

MEETINGS AND DECISIONS IN FINANCIAL YEAR 2017.

In all meetings that took place in financial year 2016, the supervisory board discussed the further development of Heliad's business activities. Consultation and decisions of the supervisory board in particular relate to the following topics:

- At the accounts meeting held on March 2, 2017, the annual financial statements for 2016 were discussed and approved, and information was provided on current Company performance and the development of portfolio companies. It was decided not to pursue the project involving switching to the General Standard segment for the time being. In addition, distribution of a dividend in the amount of EUR 0.15 per share to the limited partners was approved and approval was granted for an additional investment of up to EUR 800 thousand for the purpose of bridging the liquidity shortfall faced by the holding Libify.
- The following meeting of the Supervisory Board took place on June 23, 2017 prior to the annual general meeting. The main topic of the Supervisory Board meeting was an update by management on current Company performance and development of the portfolio companies. No decisions were taken during this meeting.
- The main topics of the meeting of the Supervisory Board of October 26, 2017 were the share performance and the liquidity position of the companies. The development of the portfolio companies was also discussed. During this meeting, the Supervisory Board unanimously approved the sale of shares in the FinTech Group, new investment in Elumeo SE, as well as a follow-up investment in Tiani Spirits.
- The subject matter of the Supervisory Board meeting on December 19, 2017 concerned the Company's current performance and liquidity position as well as the development of the portfolio companies and the status of potential disinvestments and new investments. The Supervisory Board consented to additional financing of the holdings Libify, Springlane, and Urbanara.
- In addition, on May 11, 2017, approval was granted for the decision of the personally liable partner on utilizing the Authorized Capital 2013 and the change to the Company charter as a result of the realization of the capital increase.
- Additional decisions were taken by the Supervisory Board by way of circulation of resolutions in writing, and included:
- In January of 2017, the Supervisory Board approved the sale of shares and convertible debentures in existing equity investments for the purpose of forming liquid assets of up to 5 million euros.
- In February 2017, a decision was taken to switch to the Scale exchange segment of the Regulated Market. Due to a change in the Supervisory Board, as a highly precautionary measure, the Supervisory Board resolutions passed in the period from November 2, 2015 through April 28, 2016 were authorized ex post facto.

AUDIT OF ANNUAL FINANCIAL STATEMENTS WITHOUT OBJECTIONS

The annual general meeting of June 23, 2017 appointed ifb Treuhand GmbH Wirtschaftsprüfungsgesellschaft, Grünwald, to serve as auditor for fiscal year 2017. This firm reviewed the present annual financial statements and the consolidated financial statements of Heliad Equity Partners GmbH & Co. KGaA for fiscal year 2017 as well as the combined management report and the Group management report and issued an unqualified audit opinion. The report by the auditor contains no remarks concerning any inaccuracies as regards disclosures pursuant to section 289 (4) and section 315 (4) of the Commercial Code (HGB).

The Supervisory Board received the audited and attested annual financial statements and consolidated financial statements for fiscal year 2017 as well as the combined management report and the Group management report in a timely manner, conducted its own review and discussed the documents in detail with management. The statements on the disclosures made in the management report and the Group management report were discussed with management and reviewed by the Supervisory Board itself. The result of the review provided no cause for objections to the statements in the management report or the Group management report. In the meeting of March 28, 2018 we approved the annual financial statements and proposed presentation of the annual financial statements to the Company's annual general meeting for assessment as per section 286 (1) (1) of the Stock Corporation Act (AktG). In the meeting of March 28, 2018 the consolidated financial statements were also approved.

Heliad Equity Partners GmbH & Co. KGaA looks back on a challenging fiscal year in which operational management of the existing portfolio companies as well as the transactions made and the changes implemented served to lay the groundwork for the Company's successful development.

REVIEW OF MANAGEMENT'S REPORT ON RELATIONSHIPS WITH AFFILIATED COMPANIES

The report compiled by the management of the personally liable partner on relationships with affiliated companies (dependent company report) as per section 312 of the Stock Corporation Act for fiscal year 2017 was presented to the Supervisory Board together with the audit report on it submitted by the auditor.

The auditor reviewed the dependent company report and issued the following unqualified audit opinion pursuant to section 313 of the Stock Corporation Act:

Based on the findings of the audit, we issue the following audit opinion on the Management Board report on relationships with affiliated companies for the fiscal year from January 1 through December 31, 2017:

"In accordance with our duly performed audit and assessment, we confirm that

- the factual statements contained in the report are correct,
- for legal transactions listed in the report, the Company's payment was not unreasonably high or disadvantages were offset,
- for the measures listed in the report there are no circumstances supporting an assessment different from that of the Management Board."

The Supervisory Board in turn reviewed management's dependent company report and the auditor's report. The Supervisory Board concluded that the audit report – as well as the audit conducted by the auditor – comply with statutory requirements. The Supervisory Board reviewed the dependent company report in particular with regard to completeness and accuracy and in doing so satisfied itself that the set of affiliated companies was determined with the requisite degree of care and that appropriate arrangements were made to document reportable legal transactions and measures. This review did not produce any evidence that would give rise to objections to the dependent company report. Following the final results of its review, the Supervisory Board raises no objections to the final declaration by the Management Board and approves the findings of the audit conducted by the auditor.

We extend our thanks to the management and staff of the personally liable partner for their work and dedication as well as for their constructive and successful efforts in fiscal year 2017.

Frankfurt am Main, March 2018

Volker Rofalski

For the Supervisory Board

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