

Brockhaus Capital Management AG

Frankfurt am Main

Balance sheet as at 31 December 2019

ASSETS

	31 December 2019 EUR	31 December 2018 EUR
A. Fixed assets		
I. Intangible assets	8.489,92	15.766,92
II. Property, plant and equipment	9.677,49	10.655,49
III. Financial assets	113.965.892,10	18.190.483,77
	<u>113.984.059,51</u>	<u>18.216.906,18</u>
B. Current assets		
I. Receivables and other assets		
1. Receivables from affiliated companies	127.882,28	0,00
2. Other assets	1.519,42	8.987,90
	<u>129.401,70</u>	<u>8.987,90</u>
II. Cash and cash equivalents	7.180.840,86	29.448.299,40
	<u>7.310.242,56</u>	<u>29.457.287,30</u>
C. Prepaid expenses	<u>50.074,19</u>	<u>50.074,19</u>
	<u>121.344.376,26</u>	<u>47.724.267,67</u>

EQUITY AND LIABILITIES

	31 December 2019 EUR	31 December 2018 EUR
A. Equity		
I. Subscribed capital	6.642.372,00	4.152.000,00
II. Capital reserve	119.943.198,00	43.025.000,00
thereof allocated in the financial year: EUR 76,918,198; PY: EUR 0		
III. Accumulated losses	-6.847.806,61	-3.046.097,22
	<u>119.737.763,39</u>	<u>44.130.902,78</u>
B. Contributions made to implement the resolved capital increase	<u>0,00</u>	<u>3.000.000,00</u>
C. Provisions		
I. Tax provisions	410.000,00	0,00
II. Other provisions	604.396,90	350.819,00
	<u>1.014.396,90</u>	<u>350.819,00</u>
D. Liabilities		
I. Trade payables	462.302,21	204.946,38
II. Other liabilities	129.913,76	37.599,51
	<u>592.215,97</u>	<u>242.545,89</u>
	<u>121.344.376,26</u>	<u>47.724.267,67</u>

Brockhaus Capital Management AG

Frankfurt am Main

Income statement

from 1 January 2019 to 31 December 2019

	1 Jan. 2019 - 31 Dec. 2019	1 Aug. 2018 - 31 Dec. 20
	EUR	EUR
1. Other operating income	88.449,53	246.871,79
2. Personnel expenses		
a) Wages and salaries	-1.515.944,11	-406.762,90
b) Social security, pension and other benefits	-67.350,07	-17.911,05
3. Amortization of intangible assets and depreciation of property, plant and equipment	-11.857,59	-4.841,51
4. Other operating expenses	-1.855.203,24	-978.414,75
5. Interest and similar expenses	-29.803,91	0,00
6. Earnings after taxes	<u>-3.391.709,39</u>	<u>-1.161.058,42</u>
7. Other taxes	-410.000,00	0,00
8. Net loss for the year	<u>-3.801.709,39</u>	<u>-1.161.058,42</u>
9. Accumulated losses brought forward	-3.046.097,22	-1.885.038,80
10. Accumulated losses	<u><u>-6.847.806,61</u></u>	<u><u>-3.046.097,22</u></u>

Brockhaus Capital Management AG
Notes to the financial statements for the fiscal year from 1 January 2019 to
31 December 2019

1. General information

Brockhaus Capital Management AG (the Company or BCM AG) has its registered office in Nextower, Thurn-und-Taxis-Platz 6, 60313 Frankfurt am Main, Germany, and is registered with the commercial register at the Frankfurt am Main District Court under commercial register file number HRB 109637. As of the reporting date, the Company meets the criteria of a small corporation within the meaning of Section 267a (3) no. 3 in conjunction with Section 267 (1) HGB.

As the parent company, Brockhaus Capital Management AG voluntarily prepares consolidated financial statements pursuant to Section 315e HGB for the smallest group of companies in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The annual financial statements for the fiscal year from 1 January 2019 to 31 December 2019, were prepared using the accounting policies prescribed by the German Commercial Code [HGB] as well as the supplementary provisions of the German Stock Corporation Act [AktG]. The Company has exercised the exemption under Section 264 (1) sentence 4 and refrained from preparing a management report. In addition, the Company made partial use of the disclosure relief based on size pursuant to Section 288 (1) no. 1 HGB.

The Company's purpose is to establish companies and acquire, hold, manage and foster investments in companies over the long term, and, as the case may be, sell such investments as well as provide services relating to the aforementioned, such as support for sales, marketing, finance and general organizational and management matters and for the acquisition of funding. The Company's purpose also includes business activities involving a managing holding entity of subsidiaries and providing services for these (group services), extending loans and borrowings to subsidiaries, to the extent that this does not require official approval, and developing and implementing new business concepts for subsidiaries and third parties as well as providing services and advice to companies, especially regarding business alignment, business concept, capital resources, funding options and capital investment (management consulting), to the extent this this does not require official approval. The Company's purpose within the scope of the business strategy also includes investing free cash available to the Company, which is not yet committed to investments. This includes investing in listed

securities, such as shares, participation certificates, other mezzanine instruments, debt securities, funds, certificates or derivatives.

The Company's objective for its investments is long-term fostering and growth in value. The Company is entitled to carry out all business activities and measures not requiring authorization that are deemed directly or indirectly necessary and appropriate to achieve the Company's purpose.

Brockhaus Capital Management AG intends to continue to pursue its strategy over a long-term investment horizon by primarily acquiring majority interests in companies with innovation- and technology-driven business models.

The Company's fiscal year corresponds to the calendar year. Due to the short fiscal year in the prior year, the figures are comparable with the prior year only to a limited extent.

The financial statements are presented in euro.

The income statement is presented in accordance with the nature of expense method (Section 275 (2) HGB).

2. Accounting policies

Recognition and measurement of amounts were carried out under the assumption of the Company's ability to continue as a going concern (Section 252 (1) no. 2 HGB).

Intangible assets and property, plant and equipment were measured at amortized cost.

Intangible assets relate exclusively to intangible assets acquired for a consideration.

Intangible assets and property, plant and equipment were amortized/depreciated on a straight-line basis over a useful life of three years. Additions are amortized on a pro-rata basis from the month of acquisition.

Financial assets are stated at the acquisition cost of the acquired shares.

Trade receivables are recognized at their nominal value.

Other assets are stated at their nominal value.

Cash and cash equivalents are recognized at their nominal value.

Prepaid expenses comprised payments made before balance sheet date, which related to expenses for a time period after that date.

Subscribed capital and the capital reserve are stated at nominal value.

The measurement of provisions included all discernible risks and contingent liabilities at the settlement amount deemed necessary according to prudent commercial judgment.

Liabilities are recognized at their settlement amounts.

3. Explanatory notes on the balance sheet

Intangible assets and property, plant and equipment

Intangible assets of € 8,489.92 (prior year: € 15,766.92) concern capitalized costs associated with the creation of the company website. ICT hardware in the amount of € 9,677.49 (prior year: € 10,655.49) is recognized under property, plant and equipment.

Amortization, depreciation and write-downs of intangibles assets and property, plant and equipment pertained exclusively to amortization and depreciation during the fiscal year.

Financial assets

Brockhaus Capital Management AG completed the acquisition of IHSE Holding GmbH, with registered office in Oberteuringen, on 16 December 2019. The purchase price of the shares in IHSE Holding GmbH including a shareholder loan amounted to € 110,169,833.33. The shares were acquired through IHSE AcquiCo GmbH, which was acquired and provided with equity in the reporting year. Acquisition costs of EUR 75,946,115.33 were capitalized for this purpose. The shares in IHSE Holding GmbH were acquired by way of a cash payment as well as a reinvestment in Brockhaus Capital Management AG in the form of a contribution in kind.

The capital increase by way of a contribution in kind involved the contribution of 5,006 shares by IHSE Holding GmbH, of which 1,649 shares of IHSE Holding GmbH were contributed by EL-Invest GmbH, Immenstaad am Bodensee, and 3,357 were contributed by Brockhaus Private Equity Management Luxemburg S.a.r.l., Luxembourg. In consideration of the transfer of shares, Brockhaus Capital Management AG grants EL-Invest GmbH and Brockhaus Private Equity Management Luxemburg S.a.r.l. 202,015 and 411,259 non-par value shares in the Company, respectively, with a notional share in the share capital of € 1.00 each. For this purpose, the Company's share capital was increased by € 613,274.00.

The capital increase by way of a contribution in kind of Brockhaus Capital Management AG was entered into the commercial register on 23 December 2019. The value of the contribution in kind exceeding the total issue amount of the new shares constitutes a contractual premium under the law of obligations totaling € 19,011,494.00.

Furthermore, the Company acquired 10.1% of the shares in IHSE Immobilien GmbH with registered office in Oberteuringen on 9 December 2019. The purchase price of the shares in IHSE Immobilien GmbH amounted to € 204,525.00.

Shares in affiliated companies thus totaled € 113,965,892.10 as of the balance sheet date (prior year: € 18,190,483.77).

Movements in the Company's fixed assets are presented as a separate appendix to these notes.

Receivables from affiliated companies

Receivables from affiliated companies of € 127,882.28 include receivables from consulting fees to be reimbursed by IHSE AcquiCo GmbH.

Other assets

Other assets of € 1,519.42 (prior year: € 8,987.90) largely include transitory items.

Prepaid expenses

Prepaid expenses of € 50,074.19 (prior year: € 50,074.19) mainly relate to prepaid insurance premiums which were paid for a year in advance in December 2019.

Equity

Share capital/number of shares

The Company's share capital amounts to € 6,642,372.00 as of the balance sheet date of 31 December 2019. The share capital is divided into 6,642,372 no-par value registered shares.

Taking into account a share loan, the distribution of voting and profit participation rights is as follows:

- Pre-IPO investors 4,142,372 shares (66.7%) of the Company.
- Brockhaus shareholders 2,071,186 shares (33.3%) of the Company,

The distribution of the total share capital among the shareholders was as follows as of the balance sheet date:

- Pre-IPO investors 4,142,372 shares (62.4%) of the Company.
- Brockhaus shareholders 2,071,186 shares (31.2%) of the Company,
- BCM AG (share loan): 428,814 shares (6.4%) of the Company.

If share capital is increased, the profit share of new shares may be determined in deviation from the provisions of Section 60 of the German Stock Corporation Act [AktG].

The increase in share capital by way of a contribution in kind in December 2018 was entered in the commercial register on 2 January 2019, resulting in an increase in share capital of EUR 100,000.00 and capital reserve of EUR 2,900,000.00. In the prior year, the amount of EUR 3,000,000.00 was presented under item "B. Contributions to implement the resolved capital increase".

By resolution of the Supervisory Board dated 15 April 2019, and entry into the commercial register dated 7 June 2019, the Company increased the share capital by € 41,667.00 to € 4,293,667.00. The new shares were issued by partial utilization of the Authorized Capital 2017/I at a price of € 30.00 per share, and funds of € 1,250,010.00 flowed to the Company.

At the Company's annual general meeting on 27 June 2019, the shareholders authorized the Executive Board, with the consent of the Supervisory Board, to increase the share capital in exchange for cash or contributions in kind by up to € 212,500.00, with the option to exclude pre-emptive subscription rights (Authorized Capital 2019/I). Further, the share capital was conditionally increased by up to € 425,200.00 (Contingent Capital 2019/I). The contingent capital serves to grant rights to holders of share warrants from the share option program.

The extraordinary general meeting of the Company on 2 September 2019, resolved a capital increase by way of subscription rights by up to € 3,138,912.00 to a maximum of € 7,432,579.00. By resolution of the Executive Board dated 5 December 2019, the capital increase of € 1,735,431.00 to € 6,029,098.00 was carried out. The new shares were issued at a price of € 32.00 per share, and funds of € 55,533,792.00 flowed to the Company.

On 12 December 2019, a capital increase by way of a contribution in kind of a further € 613,274.00 to € 6,642,372.00 was carried out from Authorized Capital 2017/I, in the course of which new shares at a price of € 32.00 per share were also issued. Shares were issued in exchange for the contribution of shares in Brockhaus Capital Management AG. The cash equivalent of the contributed shares amounted to € 19,624,768.00.

Share loan

The Brockhaus shareholders initially transferred a total of 1,674,000 Brockhaus shares to Brockhaus Capital Management AG by way of an uncompensated share loan (hereinafter "share loan"), with all inherent rights and obligations therewith, with the transfer date of 21 December 2017. In addition, the Brockhaus shareholders instructed the KAS Bank N.V., Frankfurt am Main, on the transfer date to transfer the share loan to the custody account of the Company at Deutsche Bank AG, Frankfurt am Main.

As of the reporting date, 428,814 shares were still in the possession of the Company in connection with this share loan.

The successive retransfer of the share loan to the Brockhaus shareholders is carried out in a 1:2 ratio to new shares, which are created in the course of capital increases. The purpose of this arrangement was to limit to one third the share of voting and profit participation rights of the Brockhaus shareholders. The share loan ends in full when a total of 5,000,000 new shares to investors (excluding the Brockhaus shareholders) have been issued and the total share capital of the Company amounts to € 7,500,000.00.

The loan has a maximum term of three years, calculated from the date of transfer, and ends at the latest with effect from midnight of 20 December 2020. If the share loan is still owned by the Company as of the end of this term, the share loan will be transferred to all shareholders (including the Brockhaus shareholders) who are shareholders of the Company at midnight on 20 December 2020, pro rata in proportion to their investment at this date.

Capital reserve

The capital reserve as of 31 December 2019 amounts to € 119,943,198.00, of which € 73,000.00 represents a free capital reserve (Section 272 (2) no. 4 HGB) and € 119,870,198.00 a capital reserve from the issue of shares (Section 272 (2) no. 1 HGB).

Provisions

Tax provisions include provisions for a real estate transfer tax liability from the acquisition of IHS Immobilien GmbH totaling € 410,000.00 (prior year: € 0.00).

In addition, there are provisions for personnel expenses of € 183,000.00 (prior year: € 0.00), outstanding invoices of € 151,682.90 (prior year: € 122,180.00), expenses for the audit of financial statements of € 111,860.00 (prior year: € 121,400.00), remuneration of members of the Supervisory Board of € 110,254.00 (prior year: € 47,779.00) and costs for the preparation of financial statements according to HGB and IFRS of € 47,600.00 (prior year: € 52,460.00).

Liabilities

Liabilities of € 592,215.97 (prior year: € 242,545.89) include trade payables of € 462,302.21 (prior year: € 204,946.38) and liabilities for payroll and church tax of € 129,913.76 (prior year: € 36,928.01).

As in the prior year, all liabilities are due within one year.

4. Explanatory notes on the income statement

Other operating income

Other operating income of € 88,449.53 (prior year: € 246,871.79) consists mainly of prior-period income from the release of provisions in the amount of € 88,099.53.

Personnel expenses

Personnel expenses during the fiscal year include salaries of € 1,515,944.11 (prior year: € 406,762.90) and statutory social security contributions of € 67,350.07 (prior year: € 17,911.05).

Other operating expenses

Of other operating expenses totaling € 1,855,203.24, € 266,498.14 relate to non-capitalizable costs of a capital increase in connection with the acquisition of IHSE Holding GmbH. Material items of the other € 1,588,705.10 in other operating expenses include financial statement closing and audit fees of € 242,173.95 (prior year: € 126,936.36), due diligence costs of € 227,641.19 (prior year: € 441,283.75), legal and consulting fees of € 172,919.90 (prior year: € 42,793.43) as well as remuneration of members of the Supervisory Board of € 142,942.80 (prior year: € 82,574.20).

Other taxes

Other taxes include the anticipated real estate transfer tax from the acquisition of IHSE Immobilien GmbH totaling € 410,000.00 (prior year: € 0.00).

5. Other disclosures

Other financial obligations

Other financial obligations consist of the sublease between Brockhaus Capital Management AG and Brockhaus Private Equity GmbH for the offices in Nexttower, Thurn-und-Taxis-Platz 6, 60313 Frankfurt am Main, amounting to € 184,941.54 (€ 105,680.88 per annum) for the period from January 2020 to September 2021.

Contingent liabilities

As of 31 December 2019, the subsidiary Palas Holding GmbH, Karlsruhe, reported liabilities to banks of EUR 11,916,666, which are secured by pledging shares in the subsidiary. Furthermore, as of 31 December 2019, the subsidiary IHSE AcquiCo GmbH, Oberteuringen, reported liabilities to banks of EUR 38,000, which are secured by pledging shares in subsidiaries.

There are no other contingent liabilities pursuant to Section 268 (7) HGB in conjunction with Section 251 HGB as of the reporting date.

Company bodies

The members of Brockhaus Capital Management AG's Executive Board are:

Chairman of the Executive Board (CEO/CIO):	Mr. Marco Brockhaus Königstein im Taunus
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Member of the Executive Board (CAO/Legal Counsel):	Dr. Marcel Wilhelm Kronberg im Taunus
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The Supervisory Board of Brockhaus Capital Management AG consists of four members in the reporting period and, unless other mandatory legal requirements apply, comprise the following:

Chairman: Dr. Othmar Belker, interim CFO of a holding group, Kleinwallstadt

Deputy Chairman: Mr. Michael Schuster, lawyer, Königstein im Taunus

Member of the Supervisory Board: Mr. Andreas Peiker, entrepreneur, Königstein im Taunus

Member of the Supervisory Board: Mr. Martin Bestmann, managing director of a consulting firm, Neunkirchen am Brand (since 26 February 2020)

The Company exercises the exemption option under Section 288 (1) no. 1 HGB and refrains from disclosing the total remuneration of the Executive Board and Supervisory Board

(Section 285 no. 9a HGB). Similarly, the Company waives the disclosure of the auditor's fee (Section 285 no. 17 HGB).

Average number of employees

The Company employed an average of eight employees in the fiscal year from 1 January 2019 to 31 December 2019.

Appropriation of earnings

The accumulated losses brought forward from the prior year (€ 3,046,097.22), together with the net loss for the fiscal year, is carried forward to the following year.

Significant events after the balance sheet date

On 31 January 2020, it was resolved to increase the share capital of the Company by € 150,686.00 to € 6,793,058.00. The capital increase, which resulted in € 4,821,952.00 flowing to the Company, was entered in the commercial register on 20 February 2020.

The developments in connection with the 2020 COVID-19 pandemic to date suggest that global economic growth will be significantly adversely affected by the global spread of the pandemic and the resulting severe disruption of economic activity. Depending on the developments at the Company's subsidiaries, this could have a negative impact on the valuation of investments and by extension on the net income of Brockhaus Capital Management AG. In light of the current uncertainty, it is not possible to quantify the potential financial impact of the COVID-19 pandemic.

Frankfurt am Main, 28 April 2020

Executive Board

Marco Brockhaus

Dr. Marcel Wilhelm

Brockhaus Capital Management AG

Frankfurt am Main

Movements in fixed assets during the financial year from 1 January 2019 to 31 December 2019

	COST			ACCUMULATED AMORTIZATION, DEPRECIATION AND WRITE-DOWNS				BOOK VALUE		
	01 January 2019 EUR	Additions EUR	Disposals EUR	31 December 2019 EUR	01 January 2019 EUR	Additions EUR	Reversals EUR	31 December 2019 EUR	31 December 2019 EUR	31 December 2018 EUR
<u>Intangible assets</u>										
Website	21.832,23	0,00	0,00	21.832,23	6.065,31	7.277,00	0,00	13.342,31	8.489,92	15.766,92
<u>Property, plant and equipment</u>										
Other equipment, operating and office equipment	13.505,92	3.602,59	0,00	17.108,51	2.850,43	4.580,59	0,00	7.431,02	9.677,49	10.655,49
<u>Financial assets</u>										
Shares in affiliated companies	18.190.483,77	95.775.408,33	0,00	113.965.892,10	0,00	0,00	0,00	0,00	113.965.892,10	18.190.483,77
	<u>18.225.821,92</u>	<u>95.779.010,92</u>	<u>0,00</u>	<u>114.004.832,84</u>	<u>8.915,74</u>	<u>11.857,59</u>	<u>0,00</u>	<u>20.773,33</u>	<u>113.984.059,51</u>	<u>18.216.906,18</u>