

Brockhaus Capital Management AG

# Interim Consolidated Financial Statements Q1 2020

For the period from 1 January to 31 March 2020

## Consolidated statement of comprehensive income

In € k	Q1 2020	Q1 2019
<b>Revenue</b>	<b>12,563</b>	<b>3,020</b>
Increase/ (decrease) in finished goods and work in progress	(408)	95
Other own work capitalised	146	109
<b>Total output</b>	<b>12,301</b>	<b>3,224</b>
Cost of materials	(3,403)	(912)
<b>Gross profit</b>	<b>8,898</b>	<b>2,312</b>
Personnel expenses	(4,296)	(1,344)
Other operating expenses	(2,711)	(712)
Expected credit loss allowance on trade receivables	(6)	-
Other operating income	196	73
<b>EBITDA</b>	<b>2,081</b>	<b>330</b>
Depreciation of property, plant and equipment and amortization of intangible assets	(375)	(177)
<b>EBITA</b>	<b>1,706</b>	<b>153</b>
Amortization of intangible assets identified in first-time consolidation	(1,952)	(563)
Finance costs	(560)	(246)
Finance income	1	1
Financial result	(559)	(245)
<b>Earnings before tax</b>	<b>(804)</b>	<b>(655)</b>
Income tax	(310)	(17)
<b>Profit or loss*</b>	<b>(1,114)</b>	<b>(672)</b>
Foreign currency translation adjustments	46	-
<b>Total comprehensive income*</b>	<b>(1,068)</b>	<b>(672)</b>
Weighted average number of shares outstanding	6,266,118	2,628,000
<b>Earnings per share (€)</b>	<b>(0.18)</b>	<b>(0.26)</b>

\* The profit or loss and total comprehensive income are fully attributable to shareholders of Brockhaus Capital Management AG.

## Consolidated statement of financial position

In € k	31.03.2020	31.12.2019
<b>Assets</b>		
Property, plant and equipment	11,289	11,322
Intangible assets and goodwill	158,892	160,585
Deferred tax assets	747	982
<b>Non-current assets</b>	<b>170,928</b>	<b>172,888</b>
Inventories	10,735	10,676
Trade receivables and other assets	6,807	6,504
Advance payments	410	489
Cash and cash equivalents	20,973	17,171
<b>Current assets</b>	<b>38,925</b>	<b>34,840</b>
<b>Total assets</b>	<b>209,853</b>	<b>207,728</b>
<b>Equity and liabilities</b>		
Subscribed capital	6,793	6,642
Capital reserve	123,398	118,727
Other reserves	145	97
Currency translation difference	(44)	(90)
Accumulated losses	(7,574)	(6,459)
<b>Equity</b>	<b>122,718</b>	<b>118,917</b>
Non-current financial liabilities	55,878	55,889
Other provisions	516	490
Deferred tax liabilities	18,054	18,556
<b>Non-current liabilities</b>	<b>74,448</b>	<b>74,935</b>
Current tax liabilities	912	736
Current financial liabilities	4,867	5,435
Trade payables and other liabilities	6,316	6,916
Contract liabilities	464	665
Other provisions	129	125
<b>Current liabilities</b>	<b>12,687</b>	<b>13,876</b>
<b>Liabilities</b>	<b>87,134</b>	<b>88,811</b>
<b>Total equity and liabilities</b>	<b>209,853</b>	<b>207,728</b>

## Consolidated statement of changes in equity

In € k	Subscribed capital	Capital increase not yet registered	Capital reserve	Other reserves	Currency translation difference	Accumulated loss	Equity
<b>01.01.2020</b>	<b>6,642</b>	-	<b>118,727</b>	<b>97</b>	<b>(90)</b>	<b>(6,459)</b>	<b>118,917</b>
Transactions with shareholders							
Capital increase	151	-	4,671	-	-	-	4,822
Profit or loss	-	-	-	-	-	(1,114)	(1,114)
Other comprehensive income	-	-	-	-	46	-	46
Equity-settled share-based payment transactions	-	-	-	48	-	-	48
<b>31.03.2020</b>	<b>6,793</b>	-	<b>123,398</b>	<b>145</b>	<b>(44)</b>	<b>(7,574)</b>	<b>122,718</b>

In € k	Subscribed capital	Capital increase not yet registered	Capital reserve	Other reserves	Currency translation difference	Accumulated loss	Equity
<b>01.01.2019</b>	<b>4,152</b>	<b>3,000</b>	<b>42,078</b>	-	-	<b>(2,636)</b>	<b>46,594</b>
Transactions with shareholders							
Registration of the capital increase	100	(3,000)	2,900	-	-	-	-
Profit or loss	-	-	-	-	-	(672)	(672)
<b>31.03.2019</b>	<b>4,252</b>	-	<b>44,978</b>	-	-	<b>(3,308)</b>	<b>45,922</b>

## Consolidated statement of cash flows

In € k	Q1 2020	Q1 2019
Profit or loss	(1,114)	(672)
(Income taxes paid)/ income tax refunds	(565)	(190)
Income tax expense/ (income tax income)	310	17
Expenses for equity-settled share-based payment transactions	48	-
Amortization, depreciation and impairment losses	2,327	740
Financial result	559	245
Other non-cash expenses/ (income)	9	-
(Increase)/ decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	(507)	(429)
Increase/ (decrease) in trade payables and other liabilities not attributable to investing or financing activities	(630)	(136)
Increase/ (decrease) in other provisions	30	103
<b>Cash flow from operating activities</b>	<b>466</b>	<b>(323)</b>
Acquisition of property, plant and equipment	(178)	(83)
Acquisition of intangible assets	(9)	-
Development costs capitalised	(60)	(56)
Acquisition of subsidiaries, net of cash acquired (deferred purchase price component Palas)	-	(750)
Interest received	1	1
<b>Cash flow from investing activities</b>	<b>(245)</b>	<b>(887)</b>
Repayment of lease liabilities	(115)	(80)
Interest paid	(621)	-
Repayment of loans and other financial liabilities	(542)	-
Proceeds from the issue of shares	4,822	-
<b>Cash flow from financing activities</b>	<b>3,543</b>	<b>(80)</b>
Change in cash and cash equivalents	3,765	(1,290)
Cash and cash equivalents* at the beginning of the period	17,171	31,578
Change in cash and cash equivalents from currency fluctuations	37	-
Cash and cash equivalents* at the end of the period	20,973	30,288

\* Cash held corresponds to cash and cash equivalents.

## Selected notes

### 1. Company and general information

Brockhaus Capital Management AG (**BCM AG** or the **Company** or the **Parent Company**, together with its subsidiaries the **Group**) 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.

These condensed interim consolidated financial statements refer to the period from 1 January 2020 to 31 March 2020 (**reporting period** or **Q1 2020**) and comprise comparative for the period from 1 January 2019 to 31 March 2019 (**prior-year period** or **Q1 2019**).

The consolidated financial statements are presented in euro, which is the Company's functional currency. The information reported is rounded in accordance with standard commercial practice in euro (€), thousands of euro (€ k) or millions of euro (€ m). Due to this rounding method, the numbers presented do not always add up precisely to the totals provided. Negative figures are presented in parentheses and zero values are denoted as hyphen (-).

### 2. Accounting and valuation methods

The consolidated financial statements 2019 were prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU. IFRS include the applicable International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) along with the Interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC). These condensed interim consolidated financial statements have been prepared in accordance with IAS 34.

The same accounting policies and methods of computation are followed in these interim consolidated financial statements as compared with the last annual consolidated financial statements. With respect to the accounting and valuation methods applied by the Group, please refer to Note 4 of the consolidated financial statements 2019.

These condensed interim consolidated financial statements are unaudited.

### 3. Alternative performance measures

In addition to the information provided as part of these financial statements, management uses additional performance indicators to manage the Group. These include the **pro forma consolidated statement of comprehensive income** and **other alternative performance measures**.

#### Pro forma consolidated statement of comprehensive income

In the prior-year period, income and expenses of IHSE are not recorded in the consolidated statement of comprehensive income due to the date that control was obtained was only in December 2019. As the informative value of the consolidated statement of comprehensive income, particularly its suitability for comparing the periods, is limited, the Executive Board analyses the earnings figures on a pro forma basis. In the following table, the Q1 2019 figures are presented as if IHSE had already been acquired as of 1 January 2019.

In € k	Q1 2020	Q1 2019
<b>Revenue</b>	<b>12,563</b>	<b>10,462</b>
Increase/ (decrease) in finished goods and work in progress	(408)	570
Other own work capitalised	146	109
<b>Total output</b>	<b>12,301</b>	<b>11,140</b>
Cost of materials	(3,403)	(3,343)
<b>Gross profit</b>	<b>8,898</b>	<b>7,797</b>
Personnel expenses	(4,296)	(3,502)
Other operating expenses	(2,711)	(1,751)
Expected credit loss allowance on trade receivables	(6)	-
Other operating income	196	97
<b>EBITDA</b>	<b>2,081</b>	<b>2,642</b>
Depreciation of property, plant and equipment and amortization of intangible assets	(375)	(347)
<b>EBITA</b>	<b>1,706</b>	<b>2,294</b>
Amortization of intangible assets identified in first-time consolidation	(1,952)	(2,177)
Finance costs	(560)	(611)
Finance income	1	1
Financial result	(559)	(610)
<b>Earnings before tax</b>	<b>(804)</b>	<b>(492)</b>
Income tax	(310)	(295)
<b>Profit or loss</b>	<b>(1,114)</b>	<b>(787)</b>

To calculate prior-year period's pro forma income and expenses, management assumed that preliminary fair value adjustments conducted at date of acquisition of IHSE, would also have applied at an acquisition on 1 January 2019, that the financing structure post-acquisition would have existed at beginning of the year and that costs of the acquisition would not have occurred prior to the assumed acquisition, i.e. prior to 1 January 2019. However, no acquisition costs occurred in the period from 1 January 2019 to 31 March 2019.

#### Other alternative performance measures

The Group provides information on adjusted earnings before interest and tax (**adjusted EBIT**) and adjusted earnings before interest, tax, depreciation and amortization (**adjusted EBITDA**). The percentage that these figures amount to in terms of revenue is determined as the respective margin (**adjusted EBITDA margin** and **adjusted EBIT margin**). In addition, information is provided on the **adjusted earnings per share**. Alongside **revenue** and **gross profit**, management uses these performance indicators to manage the Company and regards them as significant for the understanding of the Group's financial performance. The alternative performance indicators are not defined in the IFRS and the definitions of the Group are potentially not comparable with similarly designated performance indicators of other companies.

Management eliminates expenses from **share-based payment** according to IFRS 2.51 (a) from the performance indicators relevant for management of the Company. The reason for this is that these are not financially incurred by the Company but by its shareholders. The issuance of options and shares does not represent an outflow of resources for the Group. Consequently, management eliminates the relevant expenses from share-based payment for the analysis of the financial performance of the Group.

As non-controlling interests are not shown owing to the application of the anticipated acquisition method, financial liabilities and provisions for the remaining 30% of shares in Palas are recorded in the Group's statement of financial position. The increase of such liabilities and provisions is recorded partially in personnel expenses as share-based compensation and the remainder in the financial result. Therefore, the Group eliminates **financial result from NCI put** arising from this issue when calculating adjusted earnings figures.

The earnings figures for the analysis of the Group's performance are also adjusted for the **costs of completed M&A transactions** according to IFRS 3.53. Such costs are initially incurred only for purchases of companies. Owing to the business model of BCM AG, these costs do have a recurring character but respectively amount to zero when assuming an unchanged consolidated group. Further, in the opinion of group management, such expenses were to be recorded as acquisition costs, which conventionally would need to be capitalized for acquisitions and should thus not represent an expense.

Amortization expenses and impairment losses on intangible assets identified as part of purchase price allocations for acquisitions (**PPA amortization expenses**) are deducted from the basis for figures according to IFRS for the purposes of value-enhancing corporate management. These amortization expenses relate to accounting entries at the capital consolidation level, that is independent of the business figures of the separate group companies. These amortization expenses are not found in any of the individual annual financial statements of the group companies. Expenses are recorded solely at the level of consolidation. The expense has no impact on liquidity, has no relevance for the Group's capacity to distribute dividends and no such replacement investment spending is incurred for this in the future in cash flows. Considerably lower earnings due to PPA amortization according to IFRS result solely from the fact that an M&A transaction has taken place. A considerably poorer presentation of the financial performance arises solely due to capital consolidation. Also, in result it is possible that a subsidiary develops considerably more favourably than budgeted but it is nevertheless still necessary to recognize substantial amortization expenses in the consolidated financial statements due to the purchase price allocation. As income from the **reversal of deferred tax liabilities** on the PPA amortization is accrued in the consolidated statement of comprehensive income, this is consequently also eliminated in the commensurate amount for the determination of the post-tax performance indicators.

At closing of an IPO, which comprises issuance of new shares, a part of the costs incurred must be accounted for as a deduction from equity and thus is not expensed in profit or loss. Conditions for recording in equity are defined in IAS 32.37. In the reporting period, the Group has launched preparations for a stock market listing of its shares (**IPO**). For such preparatory work, costs incurred, which are expensed in profit or loss. Due to the extraordinary nature of such costs, the Group eliminates **expensed cost of equity capital measures** from the adjusted earnings figures.

Pursuant to IFRS, full consolidation is undertaken, that is the collective presentation of all income and expenses of all majority interests from the date that control is obtained. As a consequence, for acquisitions completed during the fiscal year, only a part of the business volume is presented in the consolidated statement of comprehensive income. In order to provide users of these financial statements with more information content, the performance indicators are presented **pro forma** as supplement. Under the pro forma approach, expenses and income from subsidiaries acquired in the reporting period are consolidated from the beginning of the reporting period in which the respective acquisition took place. Thus, IHSE was included in the pro forma consolidated statement of comprehensive income of the prior-year period from 1 January 2019.

Calculation of adjusted EBITDA

In € k	From date of control obtained		Pro forma
	Q1 2020	Q1 2019	Q1 2019
<b>Earnings before tax</b>	<b>(804)</b>	<b>(655)</b>	<b>(492)</b>
Financial result	559	245	610
Amortization, depreciation and impairment losses	2,327	740	2,524
<b>EBITDA</b>	<b>2,081</b>	<b>330</b>	<b>2,642</b>
Share-based payment	69	21	21
Costs from completed M&A transactions	-	-	-
Expensed cost of equity capital measures	472	-	-
<b>Adjusted EBITDA</b>	<b>2,622</b>	<b>351</b>	<b>2,663</b>
<i>Adjusted EBITDA margin</i>	<i>20.9%</i>	<i>11.6%</i>	<i>25.5%</i>

Calculation of adjusted EBIT

In € k	From date of control obtained		Pro forma
	Q1 2020	Q1 2019	Q1 2019
<b>Earnings before tax</b>	<b>(804)</b>	<b>(655)</b>	<b>(492)</b>
Financial result	559	245	610
<b>EBIT</b>	<b>(245)</b>	<b>(410)</b>	<b>118</b>
PPA amortization expenses*	1,952	563	2,177
Share-based payment	69	21	21
Costs from completed M&A transactions	-	-	-
Expensed cost of equity capital measures	472	-	-
<b>Adjusted EBIT</b>	<b>2,248</b>	<b>174</b>	<b>2,315</b>
<i>Adjusted EBIT margin</i>	<i>17.9%</i>	<i>5.8%</i>	<i>22.1%</i>

\* Amortization and impairment losses on intangible assets identified in the purchase price allocation for acquisitions

Calculation of adjusted earnings and adjusted earnings per share

In € k	From date of control obtained		Pro forma
	Q1 2020	Q1 2019	Q1 2019
<b>Profit or loss</b>	<b>(1,114)</b>	<b>(672)</b>	<b>(787)</b>
Share-based payment	69	21	21
Financial result from NCI put	30	27	27
Costs from completed M&A transactions	-	-	-
Expensed cost of equity capital measures	472	-	-
PPA amortization expenses*	1,952	563	2,177
Reversal of deferred tax liabilities	(530)	(174)	(600)
<b>Adjusted earnings</b>	<b>879</b>	<b>(235)</b>	<b>838</b>
Weighted average number of shares outstanding	6,266,118	2,628,000	6,151,058
<b>Adjusted earnings per share (€)</b>	<b>0.14</b>	<b>(0.09)</b>	<b>0.14</b>

\* Amortization and impairment losses on intangible assets identified in the purchase price allocation for acquisitions

As part of financing the acquisition of IHSE, a cash contribution capital increase and a contribution in kind capital increase were conducted in December 2019. As a result of the issuance of shares of BCM AG, own shares from the share loan were retransferred. The effects of these

transactions on the number of shares outstanding was taken into account in the prior-year period pro forma perspective.

#### 4. Business segments

The operating segment **Environmental Technologies** comprises businesses in the field of development, production and distribution of fine dust and nano particle measurement devices, aerosol spectrometers and generators as well as filter test rigs.

The operating segment **Security Technologies** comprises businesses in the field of development, production and distribution of high-performance devices for the switching and extension of computer signals. Since this segment is IHSE, which was acquired only in December 2019, the figures for the prior-year period amount to zero.

Segment financial information is reported according to management accounting, which essentially concurs to IFRS. Long-term assets are located almost exclusively in Germany.

In € k	Reportable segments						Central functions		Total	
	Environmental Technologies		Security Technologies		Total		Q1 2020	Q1 2019	Q1 2020	Q1 2019
	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019				
Revenue	2,230	3,020	10,333	-	12,563	3,020	-	-	12,563	3,020
Gross profit	1,759	2,312	7,139	-	8,898	2,312	-	-	8,898	2,312
<b>Adjusted EBITDA</b>	<b>266</b>	<b>957</b>	<b>3,320</b>	<b>-</b>	<b>3,586</b>	<b>957</b>	<b>(964)</b>	<b>(606)</b>	<b>2,622</b>	<b>351</b>
Share-based compensation									(69)	(21)
Cost of acquisition of subsidiaries									-	-
Expensed cost of equity capital measures									(472)	-
<b>EBITDA</b>									<b>2,081</b>	<b>330</b>
Trade working capital*	4,005	5,366	11,815	-	15,820	5,366	(182)	(40)	15,637	5,326
Cash and cash equivalents	2,392	1,506	7,614	-	10,006	1,506	10,967	28,782	20,973	30,288
Financial liabilities	16,829	17,479	43,789	-	60,618	17,479	127	209	60,745	17,688
<b>Revenue by region</b>										
<b>EMEA</b>	<b>1,660</b>	<b>2,008</b>	<b>5,899</b>	<b>-</b>	<b>7,559</b>	<b>2,008</b>	<b>-</b>	<b>-</b>	<b>7,559</b>	<b>2,008</b>
Germany	780	817	1,161	-	1,941	817	-	-	1,941	817
Netherlands	-	-	1,989	-	1,989	-	-	-	1,989	-
United Kingdom	302	568	149	-	451	568	-	-	451	568
France	153	208	125	-	278	208	-	-	278	208
Other	425	415	2,475	-	2,900	415	-	-	2,900	415
<b>Americas</b>	<b>125</b>	<b>682</b>	<b>3,106</b>	<b>-</b>	<b>3,231</b>	<b>682</b>	<b>-</b>	<b>-</b>	<b>3,231</b>	<b>682</b>
USA	117	682	3,106	-	3,223	682	-	-	3,223	682
Other	8	-	-	-	8	-	-	-	8	-
<b>APAC</b>	<b>445</b>	<b>330</b>	<b>1,328</b>	<b>-</b>	<b>1,773</b>	<b>330</b>	<b>-</b>	<b>-</b>	<b>1,773</b>	<b>330</b>
China	74	145	1,069	-	1,143	145	-	-	1,143	145
Other	371	185	259	-	630	185	-	-	630	185
<b>Total</b>	<b>2,230</b>	<b>3,020</b>	<b>10,333</b>	<b>-</b>	<b>12,563</b>	<b>3,020</b>	<b>-</b>	<b>-</b>	<b>12,563</b>	<b>3,020</b>

\* Trade working capital comprises inventories, trade receivables less trade payables.

[Altered geographic revenue split](#)

In the reporting period, the Group changed the allocation of revenue by country to regions from a Germany- and Europe-centred view to a more global perspective. If the region definition had not changed, revenue split would have been shown as follows:

In € k	Reportable segments						Central functions		Total	
	Environmental Technologies		Security Technologies		Total					
	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019
Revenue by region										
Germany	780	817	1,161	-	1,941	817	-	-	1,941	817
<b>Rest of Europe</b>	<b>802</b>	<b>1,114</b>	<b>3,570</b>	-	<b>4,372</b>	<b>1,114</b>	-	-	<b>4,372</b>	<b>1,114</b>
France	153	208	125	-	278	208	-	-	278	208
Netherlands	-	-	1,989	-	1,989	-	-	-	1,989	-
Portugal	-	-	866	-	866	-	-	-	866	-
United Kingdom	302	568	149	-	451	568	-	-	451	568
Other	347	337	441	-	788	337	-	-	788	337
<b>Rest of world</b>	<b>648</b>	<b>1,089</b>	<b>5,602</b>	-	<b>6,250</b>	<b>1,089</b>	-	-	<b>6,250</b>	<b>1,089</b>
USA	117	682	3,106	-	3,223	682	-	-	3,223	682
China	74	145	1,069	-	1,143	145	-	-	1,143	145
Other	457	263	1,426	-	1,883	263	-	-	1,883	263
<b>Total</b>	<b>2,230</b>	<b>3,020</b>	<b>10,333</b>	-	<b>12,563</b>	<b>3,020</b>	-	-	<b>12,563</b>	<b>3,020</b>

Pro-forma business segments

In € k	Reportable segments									
	Environmental Technologies		Security Technologies		Total		Central functions		Total	
	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019
Revenue	2,230	3,020	10,333	7,442	12,563	10,462	-	-	12,563	10,462
Gross profit	1,759	2,312	7,139	5,485	8,898	7,797	-	-	8,898	7,797
<b>Adjusted EBITDA</b>	<b>266</b>	<b>957</b>	<b>3,320</b>	<b>2,312</b>	<b>3,586</b>	<b>3,269</b>	<b>(964)</b>	<b>(606)</b>	<b>2,622</b>	<b>2,663</b>
Share-based compensation									(69)	(21)
Cost of acquisition of subsidiaries									-	-
Expensed cost of equity capital measures									(472)	-
EBITDA									2,081	2,642
Trade working capital*	4,005	5,366	11,815	9,252	15,820	14,618	(182)	(40)	15,637	14,578
Cash and cash equivalents	2,392	1,506	7,614	N/A	10,006	N/A	10,967	28,782	20,973	N/A
Financial liabilities	16,829	17,479	43,789	N/A	60,618	N/A	127	209	60,745	N/A
<b>Revenue by region</b>										
<b>EMEA</b>	<b>1,660</b>	<b>2,008</b>	<b>5,899</b>	<b>4,176</b>	<b>7,559</b>	<b>6,184</b>	-	-	<b>7,559</b>	<b>6,184</b>
Germany	780	817	1,161	726	1,941	1,543	-	-	1,941	1,543
Netherlands	-	-	1,989	1,230	1,989	1,230	-	-	1,989	1,230
United Kingdom	302	568	149	366	451	934	-	-	451	934
France	153	208	125	166	278	374	-	-	278	374
Other	425	415	2,475	1,688	2,900	2,103	-	-	2,900	2,103
<b>Americas</b>	<b>125</b>	<b>682</b>	<b>3,106</b>	<b>1,300</b>	<b>3,231</b>	<b>1,982</b>	-	-	<b>3,231</b>	<b>1,982</b>
USA	117	682	3,106	1,297	3,223	1,979	-	-	3,223	1,979
Other	8	-	-	3	8	3	-	-	8	3
<b>APAC</b>	<b>445</b>	<b>330</b>	<b>1,328</b>	<b>1,966</b>	<b>1,773</b>	<b>2,296</b>	-	-	<b>1,773</b>	<b>2,296</b>
China	74	145	1,069	1,622	1,143	1,767	-	-	1,143	1,767
Other	371	185	259	344	630	529	-	-	630	529
<b>Total</b>	<b>2,230</b>	<b>3,020</b>	<b>10,333</b>	<b>7,442</b>	<b>12,563</b>	<b>10,462</b>	-	-	<b>12,563</b>	<b>10,462</b>

\* Trade working capital comprises inventories, trade receivables less trade payables.

Cash and cash equivalents as well as financial liabilities of IHSE, i.e. the Security Technologies business segment, were substantially affected by the acquisition of IHSE by the Group in December 2019. As a result, reporting their values as per 31 March 2019 would not be a meaningful basis for comparison. Therefore, those values as well as totals that would comprise those values are stated as not applicable (N/A) in the table above.

Pro forma geographic revenue split by old region definition

In € k	Reportable segments									
	Environmental Technologies		Security Technologies		Total		Central functions		Total	
	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019
Revenue by region										
Germany	780	817	1,161	726	1,941	1,543	-	-	1,941	1,543
<b>Rest of Europe</b>	<b>802</b>	<b>1,114</b>	<b>3,570</b>	<b>2,990</b>	<b>4,372</b>	<b>4,104</b>	-	-	<b>4,372</b>	<b>4,104</b>
France	153	208	125	166	278	374	-	-	278	374
Netherlands	-	-	1,989	1,230	1,989	1,230	-	-	1,989	1,230
Portugal	-	-	866	13	866	13	-	-	866	13
United Kingdom	302	568	149	366	451	934	-	-	451	934
Other	347	337	441	1,215	788	1,552	-	-	788	1,552
<b>Rest of world</b>	<b>648</b>	<b>1,089</b>	<b>5,602</b>	<b>3,726</b>	<b>6,250</b>	<b>4,815</b>	-	-	<b>6,250</b>	<b>4,815</b>
USA	117	682	3,106	1,297	3,223	1,979	-	-	3,223	1,979
China	74	145	1,069	1,622	1,143	1,767	-	-	1,143	1,767
Other	457	263	1,426	807	1,883	1,070	-	-	1,883	1,070
<b>Total</b>	<b>2,230</b>	<b>3,020</b>	<b>10,333</b>	<b>7,442</b>	<b>12,563</b>	<b>10,462</b>	-	-	<b>12,563</b>	<b>10,462</b>

## 5. Revenue

### Disaggregation of revenue from contracts with customers

The Group generates revenue mostly from the sale of measuring devices and test rigs in the Environmental Technologies business segment and from the sale of KVM devices and KVM systems in the Security Technologies business segment. The following table breaks down the Group's revenue from contracts with customers (IFRS 15) according to the significant product and service lines and timing of revenue recognition. For information on the geographic distribution of revenue, please refer to Note 4.

### Income from the short-term leasing of devices

In addition to revenue from contracts with customers according to IFRS 15, the Group also records income from the short-term leasing of devices according to IFRS 16. Those income components are shown as separate line items in the following overview.

In € k	Environmental Technologies		Security Technologies		Total	
	Q1 2020	Q1 2019	Q1 2020	Q1 2019	Q1 2020	Q1 2019
<b><u>External customers</u></b>						
Products sold	2,775	3,679	11,740	-	14,515	3,679
Services rendered	104	92	65	-	169	92
<b>External gross revenue</b>	<b>2,879</b>	<b>3,771</b>	<b>11,806</b>	<b>-</b>	<b>14,684</b>	<b>3,771</b>
Revenue reductions	(691)	(758)	(1,473)	-	(2,163)	(758)
<b>Revenue from contracts with customers</b>	<b>2,188</b>	<b>3,013</b>	<b>10,333</b>	<b>-</b>	<b>12,521</b>	<b>3,013</b>
Short-term leasing of devices	42	7	-	-	42	7
<b>Revenue</b>	<b>2,230</b>	<b>3,020</b>	<b>10,333</b>	<b>-</b>	<b>12,563</b>	<b>3,020</b>
<b><u>Timing of revenue recognition</u></b>						
Point in time	1,896	2,921	10,268	-	12,164	2,921
Over time	292	92	65	-	357	92
<b>Revenue from contracts with customers</b>	<b>2,188</b>	<b>3,013</b>	<b>10,333</b>	<b>-</b>	<b>12,521</b>	<b>3,013</b>
Short-term leasing of devices	42	7	-	-	42	7
<b>Revenue</b>	<b>2,230</b>	<b>3,020</b>	<b>10,333</b>	<b>-</b>	<b>12,563</b>	<b>3,020</b>

## 6. Costs for IPO preparation

In the reporting period, the Group has incurred € 472 k in costs with regards to the preparation of its stock market listing (IPO) (prior-year period: € - k). For further information, please refer to Note 3.

## 7. Procedure for determining income tax

In the reporting period, income tax is recognized on the basis of the best estimates made for the weighted average annual income tax rate expected for the full year.

## 8. Earnings per share

The following table presents the calculation of earnings per share.

	Q1 2020	Q1 2019
Profit or loss in € k	(1,114)	(672)
Weighted average number of shares outstanding	6,266,118	2,628,000
<b>Earnings per share in €</b>	<b>(0.18)</b>	<b>(0.26)</b>

The adjusted pro-forma earnings per share calculate as follows. For further information thereon, please refer to Note 3.

Adjusted pro-forma	Q1 2020	Q1 2019
Profit or loss in € k	879	838
Weighted average number of shares outstanding	6,266,118	6.151.058
<b>Earnings per share in €</b>	<b>0.14</b>	<b>0.14</b>

## 9. Development of equity

By entry into the commercial register dated 20 February 2020, the Company increased the capital by € 150,686 to € 6,793,058. The new shares were issued by partial utilization of the Authorized Capital 2017/I at a price of € 32.00 per share, and funds of € 4,822 k flowed to the Company. Of the 150,686 new shares, 70,969 shares were subscribed for by members of the founding team. In order to maintain a share of 1/3 of voting and profit participation rights of the founding team, the 70,969 shares were transferred to the Company by way of an uncompensated share loan (**Share Loan II**).

As a result of the further 79,717 new shares being issued to external investors, 39,858 shares from the original share loan, as described in Note 22.1 of the consolidated financial statements 2019 (**Share Loan I**), were transferred back to the members of the founding team. Therefore, as per 31 March 2020, the Company holds 459,925 own shares by way of the share loans (thereof 388,956 in Share Loan I and 70,969 in Share Loan II).

Owing to the share loans, distribution of voting and profit participation rights as per 31 March 2020 is as follows:

Shareholder group	Number of shares	% equity share
Founding team	2,111,044	33.3%
Pre-IPO investors	4,222,089	66.7%
<b>Shares outstanding</b>	<b>6,333,133</b>	<b>100.0%</b>

Ownership of shares as per 31 March 2020 is as follows:

Shareholder group	Number of shares	% equity share
Founding team	2,111,044	31.1%
Pre-IPO investors	4,222,089	62.2%
<b>Shares outstanding</b>	<b>6,333,133</b>	<b>93.2%</b>
BCM AG (own shares)	459,925	6.8%
<b>Total</b>	<b>6,793,058</b>	<b>100.0%</b>

The breakdown and development of equity during the reporting period is presented in the consolidated statement of changes in equity.

**10. Financial liabilities**

Financial liabilities are composed as follows:

In € k	31.03.2020	31.12.2019
Senior bank debt	48,937	49,583
Real estate loans	6,425	6,440
Leasing liabilities	780	770
Liability from purchase of remaining 30% shares in Palas	1,362	1,332
Other financial debt	3,241	3,199
<b>Total financial liabilities</b>	<b>60,745</b>	<b>61,324</b>
Thereof: Non-current	55,878	55,889
Thereof: Current	4,867	5,435

**11. Carrying amounts and fair values**

The Group has financial instruments that are not measured at fair value in the statement of financial position. In the case of these instruments, the fair values do not differ significantly from the carrying amounts as the interest receivables and interest payables are either essentially equal to the current market rates or the instruments are short term.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy. It does not contain information on the fair value of financial assets and financial liabilities that are not measured at fair value if the carrying amount represents an appropriate approximation of the fair value.

**31.03.2020**

In € k	Carrying amount			Fair value			
	Financial assets at amortized cost	Financial liabilities	Total	Level 1 Quoted prices	Level 2 Derived prices	Level 3 Non-derivable prices	Total
<b>Assets not measured at fair value</b>							
Trade receivables	6,240	-	6,240				
Other receivables	567	-	567				
Cash and cash equivalents	20,973	-	20,973				
<b>Total</b>	<b>27,780</b>	<b>-</b>	<b>27,780</b>				
<b>Financial liabilities not measured at fair value</b>							
Secured bank loans	-	55,362	55,362	-	55,362	-	55,362
Unsecured loans	-	3,241	3,241	-	3,241	-	3,241
Liability from purchase of remaining 30% of shares in Palas	-	1,362	1,362	-	-	1,362	1,362
Trade payables	-	1,337	1,337				
Other liabilities	-	4,978	4,978				
<b>Total</b>	<b>-</b>	<b>66,281</b>	<b>66,281</b>				

Financial liabilities are valued using discounted cash flows. The valuation model takes account of the present value of the expected payments using the effective interest rate.

31.12.2019

In € k	Carrying amount			Fair value			
	Financial assets at amortized cost	Financial liabilities	Total	Level 1 Quoted prices	Level 2 Derived prices	Level 3 Non-derivable prices	Total
<b>Assets not measured at fair value</b>							
Trade receivables	5,848	-	5,848				
Other receivables	655	-	655				
Cash and cash equivalents	17,171	-	17,171				
<b>Total</b>	<b>23,674</b>	<b>-</b>	<b>23,674</b>				
<b>Financial liabilities not measured at fair value</b>							
Secured bank loans	-	56,023	56,023	-	56,023	-	56,023
Unsecured loans	-	3,199	3,199	-	3,199	-	3,199
Liability from purchase of remaining 30% of shares in Palas	-	1,332	1,332	-	-	1,332	1,332
Trade payables	-	2,450	2,450				
Other liabilities	-	4,466	4,466				
<b>Total</b>	<b>-</b>	<b>67,469</b>	<b>67,469</b>				

## 12. Related party transactions

### Key management personnel

In respect of the Group, key management personnel include the members of the Executive Board and Supervisory Board of the Parent Company.

A member of the Executive Board has received from the Company 1,595 shares of the Company as part of the partial transfer back of Share Loan I. Owing to the structure of the legal function of the share loans, the volume and the outstanding balance of the transaction are presented with a value of zero. Please refer in this regard to Note 9.

Members of the Executive Board have subscribed for 65,234 shares at € 32.00 per share in course of the capital increase in February 2020. Those shares are lent to the Company in the scope of Share Loan II. Please refer in this regard to Note 9.

In € k	Value of transactions		Outstanding balances	
	Q1 2020	Q1 2019	31.03.2020	31.03.2019
Issue of shares	2,087	-	-	-

Other related parties

Executive Board members hold positions in other entities, in which they have control or a significant influence on the financial and business policy of those entities. Some of those entities conducted transactions with the Group in the reporting period.

Falkenstein Heritage GmbH, with registered office in Wetzlar, holds 26.7% of the voting rights in the Company. This entity is controlled by a member of the Executive Board of BCM AG.

Brockhaus Private Equity GmbH is a minority shareholder in the Company with 3.3% of the voting rights and is controlled by members of the Executive Board of BCM AG. BCM AG leases office space from Brockhaus Private Equity GmbH by way of a sublease agreement.

Falkenstein Heritage GmbH and Brockhaus Private Equity GmbH are parties to Share Loan I and – as part of this – have received partial retransfers of 35,871 shares of the Company in the reporting period. Owing to the structure of the legal function of the share loan, the volume and the outstanding balance of the transaction are presented with a value of zero. Please refer in this regard to Note 9.

The aggregated values of the transactions and the outstanding balances related to entities that are either controlled by or subject to the significant influence of key management personnel are as follows:

In € k	Value of transactions		Outstanding balances	
	Q1 2020	Q1 2019	31.03.2020	31.03.2019
Sublease	26	26	-	-

**13. Contingent liabilities**

For collateralisation of bank loans, there are pledges on current and non-current assets as well as land charges in place.

**14. COVID-19 pandemic**

Current developments in connection with the COVID-19 pandemic suggest that global economic growth in the first half of 2020 will be impacted negatively by spread of the disease and the interruption of economic activity resulting from it. As of 31 March 2020, the pandemic has not substantially impacted earnings, assets and financial position of the Group. The COVID-19 pandemic might impact the Group's earnings, assets and liabilities in the future. However, in light of the current uncertainty, a quantification of this impact is not assessable as per date of this report.

**15. Events after the reporting period**

There have not been events after the reporting date which had a substantial effect on the Group's earnings, assets and financial position.