



2018

Contents

3	Supervisory Board Report
6	Annual Financial Statement (IFRS)
7	Income Statement
8	Balance Sheet
10	Statement of Changes in Equity
11	Cash Flow Statement
12	Notes
33	Auditor's report (IFRS)
35	Annual Financial Statement (HGB)
36	Balance Sheet
38	Profit and Loss Account
39	Notes
43	Auditor's report (HGB)

Supervisory Board Report

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 2018

In all meetings that took place in financial year 2018, 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 28, 2018, the annual financial statements for 2017 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 0.20 per share to the limited partners was approved
- A Supervisory Board meeting took place on June 14, 2018 as part of the Annual General Meeting. This Supervisory Board meeting updated the constitution following the election of Mr Herbert Seuling as a member of the Supervisory Board after Mr Kai Panitzki resigned, with effect on 14 June 2018. The Supervisory Board meeting also dealt with an update by the Management Board on the current course of business and the development of the portfolio companies. No resolutions were passed at this meeting.
- The subject of the Supervisory Board meeting on July 31, 2018 was the development of the portfolio companies and Heliad's current situation (NAV and liquidity). At this meeting, investments in existing portfolio companies, such as Alphapet and Urbanara, were approved.
- The Supervisory Board meeting on October 10, 2018 focused on current developments at Heliad and the portfolio companies. Resolutions were passed regarding divestments of listed portfolio companies.
- The subject of the Supervisory Board meeting on December 20, 2018 was the current course of business, liquidity situation, development of the portfolio companies as well as the status of possible divestments and new investments.
- Further resolutions of the Supervisory Board were passed by means of the written circulation procedure, which included approvals for investments or divestments.

AUDIT OF ANNUAL FINANCIAL STATEMENTS WITHOUT OBJECTIONS

The annual general meeting of June 14, 2018 appointed ifb Treuhand GmbH Wirtschaftsprüfungsgesellschaft, Grünwald, to serve as auditor for fiscal year 2018. This firm reviewed the present annual financial statements of Heliad Equity Partners GmbH & Co. KGaA for fiscal year 2018 as well as the 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 for fiscal year 2018 as well as the 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 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. In the meeting of April 10, 2019 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). 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 2018 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:

“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 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 2018.

Frankfurt am Main, April 2019

Volker Rofalski

For the Supervisory Board

Annual financial statements (IFRS)

Income Statement (IFRS) for financial year 2018

in thousand Euro	Notes	01/01/ – 31/12/2018	01/01/ – 31/12/2017
Income from the sale of financial assets	5.1	15,298	19,483
Other operating income	5.2	47	91
Gains from the fair value assessment	5.3	1,260	47,057
Retirement of financial assets	5.4	-15,409	-14,724
Amortizations on intangible assets	5.5	-4	-4
Other operating expenses	5.6	-6,953	-3,516
Gains from investments and securities	5.7	0	51
Expenses from the fair value assessment	5.3	-52,218	-9,266
Other financial income	5.8	457	481
Interest and similar expenses	5.8	-49	-59
Earnings before tax		-57,570	39,594
Taxes on income	5.9	961	-520
Period result		-56,609	39,074
Average number of shares issued (undiluted)	5.10	9,872,941	9,712,603
Dilution effect arising from share options	7.10	21,552	0
Average number of shares issued (diluted)	5.10	9,894,493	9,712,603
Earnings per share (undiluted) in EUR		-5.73	4.02
Earnings per share (diluted) in EUR		-5.72	4.02

Balance sheet (IFRS) for financial year 2018

Assets

in thousand Euro	Notes	31/12/2018	31/12/2017
NON-CURRENT ASSETS			
Other intangible assets		2	5
Financial assets	6.1	62,894	117,266
NON-CURRENT ASSETS - TOTAL		62,896	117,271
CURRENT ASSETS			
Marketable securities		0	14
Other assets	6.2	146	4,901
Tax receivables	6.3	24	24
Cash and cash equivalents	6.4	334	357
CURRENT ASSETS - TOTAL		503	5,295
BALANCE SHEET TOTAL		63,399	122,567

Liabilities

in thousand Euro	Notes	31/12/2018	31/12/2017
STOCK CAPITAL			
Subscribed capital	6.5	9,873	9,873
Capital reserve		31,362	31,216
Retained earnings		76,602	39,502
Net result for the period		-56,609	39,074
EQUITY, TOTAL		61,228	119,666
LONG-TERM LIABILITIES			
Deferred taxes	5.9	4	964
Long-term provisions	6.6	6	6
NON-CURRENT LIABILITIES - TOTAL		10	970
SHORT-TERM LIABILITIES			
Provisions	6.6	191	171
Trade payables	6.7	87	35
Payables to credit institutions	6.7	1,731	1,651
Tax liabilities	6.7	89	0
Other liabilities	6.7	63	75
CURRENT LIABILITIES - TOTAL		2,162	1,931
BALANCE SHEET TOTAL		63,399	122,567

Statement of Changes in Equity for financial year 2018

1. Januar to 31. December 2018	Subscribed capital	Capital reserve	Retained earnings	Equity total
in thousand Euro				
AS AT 01/01/2018	9,873	31,216	78,577	119,666
Period result			-56,609	-56,609
TOTAL PROFIT			-56,609	-56,609
Share options		146		146
Dividends			-1,975	-1,975
AS AT 31/12/2018	9,873	31,362	19,993	61,228
Notes	6.5			

Statement of Changes in Equity for financial year 2017

1. Januar to 31. December 2017	Subscribed capital	Capital reserve	Retained earnings	Equity total
in thousand Euro				
AS AT 01/01/2017	9,509	29,318	40,929	79,756
Period result			39,074	39,074
TOTAL PROFIT			39,074	39,074
Capital increase	364	1,618		1,982
Share options		280		280
Dividends			-1,426	-1,426
AS AT 31/12/2017	9,873	31,216	78,577	119,666

Cash flow statement for financial year 2018

in thousand Euro		01/01– 31/12/2018	01/01– 31/12/2017
Period result		-56,609	39,074
+ Appreciation of the asset values of non-current assets	5.3	52,222	9,270
- Value increase of financial instruments	5.3	-1,260	-47,057
-/+ Gains/losses on the disposal of financial assets	5.1/5.4	111	-4,759
+/- Increase/decrease in accruals	6.6	20	-42
+/- Other non-operative expenses and income	5	-815	811
+ Decrease in receivables and other assets	6.2	1,087	-558
+ Increase in other liabilities	6.7	130	-38
= CASHFLOW FROM OPERATING ACTIVITIES		-5,115	-3,330
- Net cash flows from investments in intangible fixed assets	6.1	15,173	19,483
+ Proceeds from disposals of financial assets and securities	6.2	2,782	408
+ Proceeds within the scope of short-term treasury management	6.2	-3,743	-1,254
- Payments within the scope of short-term treasury management	6.1	-7,225	-15,125
- Outgoing payments from disposals of financial assets and securities		6,986	3,512
= CASHFLOW FROM INVESTING ACTIVITIES	6.7	80	0
+ Incoming payments from taking out loans	6.5	0	1,981
+ Incoming payments from capital increase	6.7	0	-539
- Dividend payments	6.5	-1,975	-1,426
= CASHFLOW FROM FINANCING ACTIVITIES		-1,894	16
Net change in cash and cash equivalents		-23	228
+ Cash and cash equivalents at beginning of period	6.4	357	129
= CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		334	357

Notes (IFRS)

for financial year 2018

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 FINANCIAL STATEMENT (IFRS)

The IFRS financial statement is prepared in euros (EUR). 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 IFRS financial statement comprises the balance sheet, income statement, statement of changes in equity, cash flow statement and the notes. The income statement is prepared on a total-cost basis.

Due to the full consolidation of HEP Beteiligungs GmbH, the IFRS financial statements of Heliad as at 31 December 2017 were consolidated financial statements. Figures are used as comparative figures in these financial statements, even though Heliad no longer controls any companies to be consolidated as of 31 December 2018 and therefore does not prepare consolidated financial statements in accordance with IFRS 10. The previous year's figures regarding Heliad's IFRS financial statements correspond to the figures contained in the company's consolidated financial statements as at 31 December 2017.

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 IFRS 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 2018 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, 2018:

Standard	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 notes..
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.
Amendments to IFRS 4	Application of IFRS 9 'Finance Instruments' together with IFRS 4 'Insurance Contracts' No impacts for Heliad
Amendments to IFRS 15	Clarification of IFRS 15 No impacts for Heliad
Improvements to IFRS 2014-2016	Changes to IFRS 1 and IAS 28 No impacts for Heliad
IFRIC 22	Transactions in foreign currencies and paid in advance Considerations No impacts for Heliad
Amendments to IAS 40	Transfers real property held as financial investments No impacts for Heliad
Amendments to IFRS 2	Classification and assessment of business transactions with share-based compensation. No impacts for Heliad

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 16 „Lease Relationships“	Provision for illustrating each leasing relationship as a financing process in the lessee's balance sheet. No impacts for Heliad	1. January 2019
IFRIC 23	Uncertainty as regards taxes on profits No impacts for Heliad	1. January 2019
Amendments to IFRS 9	Provisions for pre-term payments with negative compensatory payment No impacts for Heliad	1. January 2019

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
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 19	Accounting for an adjustment, curtailment or settlement of a defined benefit plan
Amendments to References to the Conceptual Framework in IFRS Standards	Revision of definitions of assets and liabilities and new guidance on valuation and derecognition and disclosure
Amendment to IFRS 3	Mergers, definition of business operations
Amendments to IAS 1 and IAS 8	Unification of the definition of „essential“

3. 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 12/31/2017 In %	Inflow In %	Outflow In %	Heliad share as at 12/31/2018 In %
Cubitabo GmbH, Berlin	238	40.45	0	-40.45	0
MT Holding GmbH, Bisamberg/Österreich	42	35.35	0	0	35.35
Grapevine World GmbH, Bisamberg/Österreich	35	0	28	0	28
Springlane GmbH, Düsseldorf	117	23.35	0	0	23.35
Spaze GmbH (vormals Stapp AG), Hamburg	166	73.97	0	-33.81	40.16
Sleepz AG, Berlin	18,665	15.38	8.39	0	23.77
Gizmmo UG, Berlin	1	0	25	0	25

The shares in Cubitabo GmbH were transferred to Sleepz AG in the 2018 financial year. Stapp AG was converted into Spaze GmbH in the 2018 financial year.

4. 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.

4.1 FINANCIAL ASSETS

Financial assets include loans and securities and investments classified as non-current assets. Investments include all shares in companies that are not recorded as securities. IFRS 9 requires that the classification of financial assets be determined both on the basis of the business model used to manage the financial assets and the contractual cash flow characteristics of the financial asset.

Three business models are available under IFRS 9:

- **Intention to hold („hold to collect“)**
Financial assets held for the purpose of collecting contractual cash flows.
- **Intention to hold and sell („hold to collect and sell“)**
Financial assets held for the purpose of both receiving contractual cash flows and selling financial assets.
- **Other**
Financial assets that are held for trading purposes or that do not meet the criteria „hold to collect“ or „hold to collect and sell“

The assessment of the business model requires a review based on facts and circumstances at the time of the assessment. Qualitative factors include the way in which the performance of the business model and the financial assets held in that business model are measured and reported to key management personnel at Heliad (e.g. whether reporting is based on the fair value of assets under management or contractual cash flows received).

If a financial asset is held either in a „hold to collect“ or a „hold to collect and sell“ business model, an assessment as to whether the contractual cash flows consist exclusively of principal and interest payments on the outstanding principal amount is required upon initial recognition to determine classification.

A financial asset is classified as at „amortized cost“ and subsequently measured, if it was not classified under the fair value option, if the financial asset is held in a „hold to collect“ business model, and if the contractual cash flows are exclusively repayments of principal and interest.

Under this valuation category, the financial asset is recognized at fair value less principal repayments, plus or minus the cumulative amortization of any difference between the original amount and the maturity amount. The carrying amounts of these assets and liabilities are measured using the effective interest method and adjusted for any impairment losses.

A financial asset is classified and measured at „fair value through other comprehensive income“ („FVOCI“) if it was not classified under the fair value option, if the financial asset is held in a „hold to collect and sell“ business model and the contractual cash flows are exclusively repayments and interest payments.

Classified as FVOCI, a financial asset is measured at fair value, with all changes in fair value being recognized in the income statement. The fair value of these financial instruments can be recognized in other comprehensive income.

It is possible to designate equity instruments for which there is no intention to trade as „fair value with changes in value recognized directly in equity.“ However, Heliad has not yet applied this category.

Any financial asset held for trading purposes or not included in the „hold to collect“ or „hold to collect and sell“ business models is classified as a financial asset at „fair value through profit or loss“ („FVTPL“).

Any financial asset whose contractual cash flows are not exclusively redemption and interest payments must also be measured at fair value with changes in value in the income statement, even if the financial asset is held in a „hold to collect“ or „hold to sell“ business model. Upon initial recognition, Heliad may irrevocably classify a financial asset as measured at fair value with changes in value in the income statement, which would otherwise be measured at amortized cost or at fair value through comprehensive income, if this classification eliminates or significantly reduces accounting mismatches that would otherwise arise from the measurement of assets or liabilities or the recognition of gains or losses on a different basis.

The financial instruments reported under non-current assets (loans, investments and securities allocated to non-current assets) are classified by Heliad as „at fair value through profit or loss“ („FVTPL“) because the contractual cash flows are not exclusively repayments and interest payments. In determining fair value, Heliad uses observable market data as far as possible. Based on the input factors used in the valuation techniques, the fair values are assigned to different levels in the fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Valuation parameters that are not the quoted prices considered in Level 1 but that can be observed for the asset or liability either directly (i.e. as a price) or indirectly (i.e. as a derivation of prices).

Level 3: Valuation parameters for assets or liabilities that are not based on observable market data.

If the asset is sold or impaired on a sustained basis, the gain or loss on the sale or impairment is included in profit or loss.

Changes in the value of financial assets classified as „financial assets at fair value through profit or loss“ are recognised in the income statement under income or expenses from fair value measurement.

An impairment generally leads to a direct reduction in the carrying amount of the financial assets, with the exception of trade receivables, whose carrying amount is reduced by an impairment account.

Heliad only recognizes a financial asset if the contractual rights to the cash flows from the financial asset expire or the financial asset and substantially all the risks and rewards incidental to ownership of the asset are transferred to a third party.

4.2 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		
	31/12/2018	differences	31/12/2017
Financial assets and securities	240	-58,536	58,776
other assets	0	-84	84

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

in thousand Euro	Deferred taxes				Expenses (+)/income (-)	
	31/12/2018		31/12/2017		2018	2017
	Assets	Liabilities	Assets	Liabilities		
Financial assets and securities	0	-4	0	-936	-933	502
other assets	0	0	0	-27	-27	27

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.

4.3 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.

4.4 LIQUID FUNDS

The cash and cash equivalents consist of bank balances.

4.5 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.

4.6 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.

4.7 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.

4.8 TAXES ON INCOME

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

4.9 CURRENCY CONVERSION

The financial statement was prepared in euros. Foreign currency transactions are converted at the exchange rate applicable on the date of the transaction in euros.

4.10 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.

4.11 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.

4.12 SIGNIFICANT ASSUMPTIONS AND ESTIMATES

The preparation of the 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 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	31/12/2018	31/12/2017
Securities	43,254	92,920
Investments	13,388	17,747
Provisions	196	176

5. NOTES TO THE INCOME STATEMENT

5.1 INCOME FROM THE SALE OF FINANCIAL ASSETS

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

5.2 OTHER OPERATING INCOME

Other operating revenues include essentially revenues from the liquidation of provisions

5.3 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 IFRS 9.

More details are provided in Item: 6.1. Financial assets explained

5.4 RETIREMENT OF FINANCIAL ASSETS

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

5.5 AMORTIZATIONS ON INTANGIBLE ASSETS

Intangible assets were written off in the amount of EURk 4 (prior year EURk 4) according to schedule.

5.6 OTHER OPERATING EXPENSES

The other operating expenses relate to the following items:

in thousand Euro	01/01/ – 31/12/2018	01/01/ – 31/12/2017
Costs of management and liability	-4,374	-2,408
Expense from options	-230	-280
Consulting and audit costs	-225	-227
Accounting and marketing	-127	-136
Creation of provisions	-106	-90
Expense of litigation	0	-33
Expense from write offs	-1,519	0
Remaining other operating expenses	-372	-343
	-6,953	-3,516

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 (EURk 146). 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 7.10 Stock Option Program.

5.7 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 EURk 0 (prior year: EURk 51) are taken into account.

5.8 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 EURk 62 (prior year: EURk 0) and interest paid in the amount of EURk 49 (prior year: EURk 59) is taken into account.

5.9 TAXES ON INCOME

The taxes on income relate to current and deferred taxes.

in thousand Euro	01/01/ – 31/12/2018	01/01/ – 31/12/2017
Current tax income/expense for the period	0	11
Deferred taxes arising from temporary differences for tax accounting	961	-530
	961	-520

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/ – 31/12/2018	01/01/ – 31/12/2017
EARNINGS BEFORE TAX	-57,570	39,594
tax rate	31,9%	31,9%
expected tax expenses	18,365	-12,630
current tax expenses	961	-520
actual tax rate	1,7%	1,3%
expected tax expenses	18,365	-12,630
Tax-exempted valuation and disposal result	-16,309	12,763
Previously unrecognized deferred taxes on tax losses carried forwards	-2,047	-127
Taxes on non-deductible expenses and other tax effects	953	-525
current tax expenses	961	-520

In calculating cash flow from current operating activities during the reporting period, taxes paid in the amount of EURk 89 (prior year: EURk -30) are taken into account.

The deferred tax income (prior year: expenses) related mainly to the reduction (prior year: 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 thousand Euro	31/12/2018	31/12/2017
Losses carried forward corporate income tax	56	52
thereof usable	0	0
Losses carried forward trade tax	22	22
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 and as at December 31, 2018 are based on the expected tax losses for the 2017 and 2018 financial years. Taking into account the minimum tax, the tax losses carried forward can be carried forward indefinitely.

5.10 EARNINGS PER SHARE

The earnings per share are calculated as follows:

in thousand Euro	01/01/ – 31/12/2018	01/01/ – 31/12/2017
Period result	-56,609	39,074
Average number of shares issued (undiluted)	9,872,941	9,712,603
Dilution effect arising from share options	21,552	0
Average number of shares issued (diluted)	9,894,493	9,712,603
Earnings per share (undiluted) in EUR	-5.73	4.02
Earnings per share (diluted) in EUR	-5.72	4.02

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

	Financial year 2018	Financial year 2017
		9,509,441 x 161/365
	9,872,941 x 365/365	9,872,941 x 204/365
Average number of shares outstanding	9,872,941	9,712,603

The management of the general partner proposes to the stockholders' meeting that no dividend (prior year: EUR 0.20) be distributed to the limited partners.

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

6. NOTES ON THE BALANCE SHEET

6.1 FINANCIAL ASSETS

Financial assets include the following items:

in thousand Euro	01/01/ – 31/12/2018	01/01/ – 31/12/2017
Investments	13,388	17,747
Securities	43,254	92,920
Loans to companies in which we participate	6,252	6,599
	62,894	117,266

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 investments and securities are "measured at fair value through profit and loss" in the valuation category. Last financial year six 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 were excluded from this. Due to changes of IFRS standards from IAS 39 into IFRS 9, this investments are now categorized "assessed at fair value through profit or loss" (fair value hierarchy: level 2).

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	31/12/2018	31/12/2017
Booking value of sharemarket listed financial assets and securities of circulating capital	43,254	92,934

Their assessment results in the following:

in thousand Euro	01/01/ – 31/12/2018	01/01/ – 31/12/2017
Increase of the fair value of sharemarket listed financial assets and securities of circulating capital	304	45,794
Decrease of the fair value of sharemarket listed financial assets and securities of circulating capital	-41,484	-290

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/ – 31/12/2018	01/01/ – 31/12/2017
Increase of the fair value of non sharemarket listed financial assets and securities of circulating capital	440	1.263
Decrease of the fair value of non sharemarket listed financial assets and securities of circulating capital	-12.015	-8.989

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.

6.2 OTHER ASSETS

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

As at the reporting date, financial assets amounting to EURk 90 had been overdue and not adjusted, since they are collateralized with a security 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 EURk 0 (prior year: EURk 4,773) are recorded under other assets.

6.3 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.

6.4 CASH AND CASH EQUIVALENTS

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

6.5 STOCK CAPITAL

SUBSCRIBED CAPITAL

The capital stock is EUR 9,872,941.00 and is fully paid in. It consists of 9,872,941 (prior year: 9,872,941) 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.

The general partner is authorised until June 13, 2023, subject to approval by the Supervisory Board, to increase the company's share capital by up to EUR 4,936,470.00 in total by issuing up to 4,936,470 new individual registered shares with a nominal value of EUR 1.00 per share in return for cash or non-cash contributions on one occasion or in partial amounts on several occasions (Authorised Capital 2018). The general partner is authorised to exclude limited shareholders' basic subscription rights in specified cases.

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 7.10 Stock Option Program.

RETAINED EARNINGS

Retained earnings include profits carried forward from previous periods.

In fiscal 2018, Heliad distributed a dividend in the amount of EUR 0.20 per share (prior year: EUR 0.15 per share), total EURk 1,975 (prior year: EURk 1,427) to its limited partners.

6.6 PROVISIONS

OTHER LONG-TERM PROVISIONS

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

TAX PROVISIONS AND OTHER CURRENT PROVISIONS

The other provisions are made up as follows:

in thousand Euro	12/31/2017	Consumption	Resolution	Allocation	12/31/2018
Audit expenses	58	-45	0	50	63
supervisory board remuneration	14	-14	0	17	17
other	99	-13	-14	39	111
	171	-72	-14	106	191

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.

6.7 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.

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. The carrying amounts of these liabilities correspond to their fair value due to their short-term nature.

7. Other information

7.1 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. 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 7.8. Capital management.

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

7.2 ADDITIONAL INFORMATION ABOUT THE FINANCIAL INSTRUMENTS

The book values of the financial instruments, divided by category, for the effective dates of December 31, 2019 (all disclosures in accordance with IFRS 9) and December 31, 2017 (all disclosures in accordance with IAS 39) are transferred to the statement of financial position in the following table:

DECEMBER 31, 2018 in thousand Euro	Fair Value Hierachy	Fair Value	Balanca 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	3,072	3,072
Investments in the category “assessed at fair value through profit or loss”	Level 2	10,316	10,316
Securities categorized as “assessed at fair value through profit and loss”	Level 1	43,254	43,254
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 fair value	Level 3	6,252	6,252
NON-CURRENT ASSETS - TOTAL			
		62,894	62,894

DECEMBER 31, 2018 in thousand Euro	Fair Value Hierachy	Fair Value	Balanca sheet
CURRENT ASSETS - FINANCIAL ASSETS			
Fair value of financial assets not regularly assessed at fair value, but for which the fair value is to be indicated			
other assetse “valued at cost”	Level 2	146	146
Cash and cash equivalents “valued at cost”	Level 2	334	334
CURRENT ASSETS - TOTAL			
		480	480

DECEMBER 31, 2018 in thousand Euro	Fair Value Hierarchy	Fair Value	Assessed on contin- ued acquisition costs	Balanca sheet
CURRENT LIABILITIES				
Payables to credit institutions	Level 2	1,731	1,731	1,731
Trade payables assessed at amortized cost	Level 2	87	87	87
CURRENT LIABILITIES - TOTAL		1,818	1,818	1,818

DECEMBER 31, 2017 in thousand Euro	Fair Value Hierarchy	Fair Value	Assessed on contin- ued acquisition costs	Balanca 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 in thousand Euro	Fair Value Hierarchy	Fair Value	Assessed on con- tinued acquisition costs	Balanca 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 in thousand Euro	Fair Value Hierarchy	Fair Value	Assessed on contin- ued acquisition costs	Balanca 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

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 EURk 4,325 (prior year: EURk 9,292). 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 EURk 1,015 (prior year: EURk 1,015) are shown in long-term assets. As at the reference date, an exchange rate of CHF/EUR 0.88516 (prior year: CHF/EUR 0.8580) 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.

7.3 CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

The remaining payment obligations for agreed shareholdings not yet called in for shares in private partnerships amount to EURk 56 (prior year: EURk 57) as at the accounting date.

Future obligations from service agreements amount to EURk 126 (prior year: EURk 126).

As at the reporting date, there were no guarantees and warranty obligations, as in the previous year. As at December 31, 2018, there were no lease commitments in the Heliad, as in the previous year.

7.4 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

Members of the supervisory board:
Volker Rofalski (Chairman)
Managing Director of only natural munich GmbH, Munich

Kai Panitzki (until June 14, 2018)
Managing Director, BitStone Capital Beteiligungs GmbH, Cologne

Herbert Seuling (since June 14, 2018)
Diplom-Kaufmann, Tax advisor

Stefan Müller (deputy chairman)
Chief representative of Börsenmedien AG, Küps

7.5 AUDITOR'S FEES

A fee of EURk 60 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: EURk 60).

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

7.6 ASSOCIATED COMPANIES AND INDIVIDUALS

FinLab AG, Frankfurt am Main, held more than 25% of the shares in the company as at December 31, 2018. 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 14, 2018, 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, 2018.

The directly controlling company (FinLab AG, Frankfurt am Main) was categorized as an associated enterprise with respect to other companies as at December 31, 2018 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 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 EURk 2,992 (prior year EURk 1,994) plus VAT for statutory activity and liability remuneration. The statutory remuneration for the capital increase was EURk 0 (prior year: EURk 30) plus VAT. The general partner received EURk 684 (previous year EURk 0) 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 EURk 175 for services rendered in the areas of marketing and accounting and third-party invoices (previous year: EURk 191) including any accruing turnover tax.

Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, was charged EURk 3 (prior year: EURk 3) by FinTech Group AG for banking services. Mr. Bernd Förtsch exerts a significant influence over FinTech Group AG through his investments.

Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, holds a total of 2,036,741 shares (prior year: 2,528,544 shares) in FinTech Group AG. The acquisition costs as at December 31, 2018 amounted to EUR 18.4 million (prior year: EUR 18.4 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 EURk 0 (prior year: EURk 143) and liabilities in the amount of EURk 54 (prior year: EURk 42).

The members of the Supervisory Board were entitled to Supervisory Board remuneration of EURk 48 plus VAT (prior year: EURk 48) in the reporting year.

7.7 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.

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.

7.8 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 6.20 per share (prior year: EUR 12.22/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 6.5. Equity capital.

7.9 EMPLOYEES

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

7.10 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							

7.11 EVENTS AFTER THE BALANCE SHEET DATE

In January 2019, Heliad sold all shares in DEAG Deutsche Entertainment AG.

7.12 OTHER INFORMATION

The financial statement was prepared by the company. It is presumed that in its meeting on April 10, 2019, the Supervisory Board will approve the financial statement and the Supervisory Board report. Upon approval by the Supervisory Board, the financial statement will be released for publication.

Frankfurt am Main, March 29, 2019

Thomas Hanke
Managing Director of the General Partner
Heliad Management GmbH

Appendix

Assets analysis for 2017 (IFRS)

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

Assets analysis for 2018 (IFRS)

in thousand Euro	Acquisition costs					Allowances					Booking value	
	1/1/2018	Rebookings	Start of the period	End of the period	12/31/2018	1/1/2018	End of the period	Reductions in the period	Increases in the period	12/31/2016	12/31/2018	12/31/2017
I. INTANGIBLE ASSETS	169	0	0	0	169	-164	0	-4	0	-168	2	5
II. FINANCIAL ASSETS	59,437	0	17,409	-7,746	69,100	57,829	-11,294	-53,485	744	-6,206	62,894	117,266
TOTAL FIXED ASSETS	59,607	0	17,409	-7,746	69,269	57,665	-11,294	-53,489	744	-6,374	62,895	117,271

Auditor's Opinion (IFRS)

INDEPENDENT AUDITOR'S REPORT

To the Heliad Equity Partners GmbH & Co. KGaA:

Audit Opinion

We have audited the annual financial statements of Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, which comprise the balance sheet as at December 31, 2018, and the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the financial year from January 1 to December 31, 2018, and notes to the financial statements, including the presentation of the recognition and measurement policies.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2018, and of its financial performance for the financial year from January 1 to December 31, 2018.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Audit Opinion

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

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

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the IFRSs as adopted by the EU, and in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Company. In addition, the executive directors are responsible for such internal control as they, have determined necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial

statements or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with the IFRSs as adopted by the EU.

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

Grünwald, March 29th, 2019

ifb Treuhand GmbH
Wirtschaftsprüfungsgesellschaft
Steffen Urban
Wirtschaftsprüfer
[German Public Auditor]

Annual financial statements (HGB)

Balance sheet (HGB) for financial year 2018

Assets

in thousand Euro	31/12/2018	31/12/2017
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	1,561.00	5,308.00
II. Financial assets		
1. Shares in affiliated companies	0.00	25,000.00
2. Loans to affiliated companies	0.00	10,820,451.90
3. Other financial assets	11,055,916.93	11,206,441.82
4. Loans to companies in which we participate	55,050.02	1,756,249.50
5. Securities	22,470,764.31	27,453,706.35
	33,583,292.26	51,267,157.57
B CURRENT ASSETS		
I. Receivables and other assets		
1. Receivables from affiliated companies	117.50	0.00
2. Receivables from companies in which we participate	4,521,661.28	4,216,770.81
3. Other assets	1,801,525.71	2,768,214.64
II. Securities	0.00	13,630.00
III. Bank balances	334,102.38	267,386.43
	6,657,406.87	7,266,001.88
C DEFERRED INCOME	42,663.66	43,899.06
BALANCE SHEET TOTAL	40,283,362.79	58,577,058.51

Liabilities

in thousand Euro	31/12/2018	31/12/2017
A STOCK CAPITAL		
I. Subscribed capital	9,872,941.00	9,872,941.00
II. Capital reserve	35,933,238.48	35,933,238.48
III. Net loss/Net profit	-7,690,024.55	10,838,514.35
	38,116,154.93	56,644,693.83
B PROVISIONS		
I. Other provisions	196,135.00	171,860.00
	196,135.00	171,860.00
C LIABILITIES		
I. Payables to credit institutions	1,731,221.82	1,651,015.54
- thereof with a remaining term of up to one year	1,731,221.82	1,651,015.54
II. Trade payables	87,105.56	34,521.51
- thereof with a remaining term of up to one year	87,105.56	34,521.51
III. Payables to affiliated companies	162.32	11,900.00
- thereof with a remaining term of up to one year	162.32	11,900.00
IV. Other liabilities	152,583.16	63,067.63
- thereof with a remaining term of up to one year	152,583.16	63,067.63
	1,971,072.86	1,760,504.68
BALANCE SHEET TOTAL	40,283,362.79	58,577,058.51

Income Statement (HGB) for financial year 2018

in thousand Euro	01/01/ – 31/12/2018	01/01/ – 31/12/2017
1. Other operating income	17,691,480.18	11,646,728.87
2. Amortizations on intangible assets	-3,747.00	-3,747.40
3. Other operating expenses	-9,435,364.99	-3,302,951.55
4. Income from investments	0.00	63,013.81
5. Income from other securities and loans of financial assets thereof from affiliated companies	122,206.66 0.00	794,792.42 789,342.58
6. Other interest and similar income	538,091.49	228,434.75
7. Amortizations on financial assets and securities of circulating capital	-18,315,998.95	-5,956,984.87
8. Interest and similar expenses	-48,978.01	-58,676.36
9. Tax on income	13.80	10,739.00
10. Earnings after tax	-9,452,296.82	3,421,348.67
11. Annual surplus/ deficit	-9,452,296.82	3,421,348.67
12. Unappropriated retained earnings brought forward	1,762,272.27	7,417,165.68
13. Net loss/ net profit	-7,690,024.55	10,838,514.35

Notes (HGB) for financial year 2018

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 Balance Sheet

FIXED ASSETS

During the reporting year, write-downs on financial assets in the amount of EURk 17,889 (prior year: EURk 5,834) 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 EURk 11,448 (prior year: EURk 11,038) and revaluations of investment securities EURk 5,120 (prior year: EURk 603).

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

EQUITY

The capital stock is EUR 9,872,941.00 and is fully paid in. It consists of 9,872,941 (prior year: 9,872,941) 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.

The general partner is authorised until June 13, 2023, subject to approval by the Supervisory Board, to increase the company's share capital by up to EUR 4,936,470.00 in total by issuing up to 4,936,470 new individual registered shares with a nominal value of EUR 1.00 per share in return for cash or non-cash contributions on one occasion or in partial amounts on several occasions (Authorised Capital 2018). The general partner is authorised to exclude limited shareholders' basic subscription rights in specified cases.

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.

Net profit for the previous year was EUR 10,838,514,35. It was reduced by a dividend distribution in the amount of EUR 1,974,588,20 (prior year: EUR 1,426,416.15), which corresponds to a dividend of EUR 0.20 per share (prior year: EUR 0.15 per share).

LIABILITIES

All liabilities have a maturity of up to one year.

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.

4. Extraordinary business transactions

The following business transactions of an extraordinary magnitude occurred:

- The sale of shares in FinTech Group AG resulted in a gain of EURk 11,378.
- The merger of HEP Beteiligungs GmbH into Heliad resulted in a merger gain of (thereof reversal of impairment losses on loans classified as current assets in the amount of EURk 5,120) in the amount of EURk 5,680.
- The majority of the write-downs on financial assets in accordance with § 253 (3) sentence 4 HGB result from the devaluation of the investment in Sleepz AG. (EURk 10,580).

5. 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 EURk 56 (prior year: EURk 57).

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

6. Other information

APPROPRIATION ON NET INCOME

The loss for the period in the amount of EUR 9,452,296.82 will be carried forward.

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.

Managing Director for the general partner is

Thomas Hanke

Investment Banker, Düsseldorf

Members of the supervisory board:

Volker Rofalski (Chairman)

Managing Director of only natural munich GmbH, Munich

Kai Panitzki (until June 14, 2018)

Managing Director, BitStone Capital Beteiligungs GmbH, Cologne

Herbert Seuling (since June 14, 2018)

Diplom-Kaufmann, Tax advisor

Stefan Müller (deputy chairman)

Chief representative of Börsenmedien AG, Küps

EVENTS AFTER THE BALANCE SHEET DATE

In January 2019, Heliad sold all shares in DEAG Deutsche Entertainment AG.

Frankfurt am Main, March 29, 2019

Thomas Hanke
Managing Director of the General Partner
Heliad Management GmbH

Auditor's Opinion (HGB)

INDEPENDENT AUDITOR'S REPORT

To the Heliad Equity Partners GmbH & Co. KGaA:

Audit Opinions

We have audited the annual financial statements of Heliad Equity Partners GmbH & Co. KGaA, which comprise the balance sheet as at December 31, 2018, and the statement of profit and loss for the financial year from January 1 to December 31, 2018, and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Heliad Equity Partners GmbH & Co. KGaA for the financial year from January 1 to December 31, 2018.

- In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2018 and of its financial performance for the financial year from January 1 to December 31, 2018 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

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

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

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

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

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

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

Auditor's Responsibilities for the Audit of the Annual Financial Statements and the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

Grünwald, March 29th, 2019

ifb Treuhand GmbH
Wirtschaftsprüfungsgesellschaft
Steffen Urban
Wirtschaftsprüfer
[German Public Auditor]

CONTACT

[Heliad Equity Partners GmbH & Co. KGaA](#)

Grüneburgweg 18

60322 Frankfurt am Main/Germany

info@heliad.de

T +49 (0) 69.71 91 59 65 - 0

F +49 (0) 69.71 91 59 65 -11

www.heliad.de