Brockhaus Capital Management AG

(previously: Eagle Fonds Verwaltungs- und Treuhand-GmbH)

Financial statements fiscal year 2017/18

For the period from 1 August 2017 to 31 July 2018

Contents

Statement of comprehensive income

In €	Notes	01.08.2017 - 31.07.2018	01.01.2017 - 31.07.2017
Other operating income	6	72,549	-
Personnel expenses	7	(75,203)	-
Other operating expenses	8	(937,333)	(19,302)
Depreciation and amortisation	9	(4,074)	-
Finance income	10	1,250	-
Profit or loss		**(942,811)**	**(19,302)**
Total comprehensive income		(942,811)	(19,302)

Statement of financial position

In €	Notes	31.07.2018	31.07.2017
Assets			
Property, plant and equipment		4,032	-
Intangible assets		18,799	-
Non-current assets	11	**22,831**	**-**
Other current assets		109,094	-
Cash and cash equivalents		45,920,162	2,520,023
Current assets	12	**46,029,255**	**2,520,023**
Total assets		**46,052,086**	**2,520,023**
Equity and liabilities			
Subscribed capital	13	4,152,000	25,000
Capital increase not yet registered	14	-	2,475,000
Capital reserves	15	42,140,379	58,000
Accumulated losses		(1,000,418)	(57,607)
Equity		**45,291,961**	**2,500,393**
Other current liabilities	16	760,125	19,630
Current liabilities		**760,125**	**19,630**
Liabilities		**760,125**	**19,630**
Total assets		**46,052,086**	**2,520,023**

Statement of changes in equity

In €	Notes	01.08.2017 - 31.07.2018	01.01.2017 - 31.07.2017
Subscribed capital			
As at the start of the reporting period		25,000	25,000
Registration of the capital increase	14	2,475,000	
Payments received from issuing shares	13	1,652,000	-
As at the end of the reporting period		**4,152,000**	**25,000**
Capital increase not yet registered			
As at the start of the reporting period		2,475,000	-
Capital increase before registration	14	-	2,475,000
Registration of the capital increase	14	(2,475,000)	-
As at the end of the reporting period		**-**	**2,475,000**
Capital reserves			
As at the start of the reporting period		58,000	18,000
Transfer to free capital reserves	15	15,000	40,000
Payments received from issuing shares	13	42,952,000	-
Costs of the capital increase	15	(884,621)	-
As at the end of the reporting period		**42,140,379**	**58,000**
Accumulated losses			
As at the start of the reporting period		(57,607)	(38,305)
Profit or loss / total comprehensive income		(942,811)	(19,302)
As at the end of the reporting period		**(1,000,418)**	**(57,607)**
Equity		**45,291,961**	**2,500,393**

Statement of cash flows

In €	Notes	01.08.2017 - 31.07.2018	01.01.2017 - 31.07.2017
Profit or loss		(942,811)	(19,302)
Adjustments:			
Depreciation and impairment of property, plant and equipment	9	1,041	-
Amortisation of intangible assets	9	3,033	-
Change in:			
Other current assets	12	(109,094)	-
Other current liabilities	16	740,495	17,130
Cash flow from operating activities		**(307,335)**	**(2,172)**
Capital expenditure in property, plant and equipment	11	(5,073)	-
Capital expenditure in intangible assets	11	(21,832)	-
Cash flow from investing activities		**(26,905)**	**-**
Transfer to free capital reserves	15	15,000	40,000
Payments received from issuing shares	13	44,604,000	2,475,000
Costs of the capital increase	13	(884,621)	-
Cash flow from financing activities		**43,734,379**	**2,515,000**
Change of cash and cash equivalents		43,400,139	2,512,828
Cash and cash equivalents* at the beginning of the period		2,520,023	7,195
Cash and cash equivalents* at the end of the period		45,920,162	2,520,023

* (Note 12).

Notes

I General information, methods and principles

1. Information on the company

These financial statements were prepared by Brockhaus Capital Management AG (**BCM** or the **company**), with its registered office in Nextower, Thurn-und-Taxis-Platz 6, 60313 Frankfurt am Main, Germany and which is entered in the Commercial Register of the Frankfurt am Main District Court under HRB 109637. In the reporting period, the company still operated as its legal predecessor Eagle Fonds Verwaltungs- und Treuhand-GmbH, from which it originated on the basis of a resolution of the shareholder meeting on 1 August 2017 on the basis of a change in legal form.

Eagle Fonds Verwaltungs- und Treuhand-GmbH (**Eagle**) had its registered office in Nextower, Thurn-und-Taxis-Platz 6, 60313 Frankfurt am Main, Germany, and was entered in the Commercial Register of the Frankfurt am Main District Court under HRB 78705. Eagle was founded on 7 March 2000.

The object of Eagle was the fiduciary management of limited partner shares and the management of its own assets as well as all related activities. Eagle was authorised to establish branches and subsidiaries in Germany and abroad, to acquire or lease similar or related companies or to participate in other companies in the same or similar industry or with the same object of business.

Since its conversion, the object of the company is the establishment of companies and the acquisition, the long-term holding, managing and supporting of investments in companies, when appropriate, the sale of such investments and providing services in connection with the above, such as support in sales, marketing, finance and general organisational and management activities and in acquiring financing. Furthermore, the object is exercising the business activity of a management holding of portfolio companies and providing services for the same (group services), granting loans to portfolio companies to the extent this does not require regulatory approval, and the development and implementation of new business concepts for portfolio companies and providing services and consulting for portfolio companies and third parties as well as providing services and consultancy services to companies, in particular the business alignment, business concept, capital resources, financing options and investments (management consultancy), to the extent this does not require regulatory approval. In the context of the business strategy, the object of the company is also to invest all liquid assets available to the company which are not tied in portfolio companies, including in listed securities such as shares, profit participation certificates, other mezzanine instruments, debentures, funds, certificates or derivatives. In relation to its portfolio companies, the objective of the company is long-term support and value increase.

2. Accounting policies

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. IFRS includes the International Accounting Standards (IAS) the applicable International Financial Reporting Standards (IFRS) and the interpretations of the Standing Interpretations Committee (SIC) and of the International Financial Reporting Interpretations Committee (IFRIC).

3. Basis of preparation

The financial statements are prepared on the basis of amortised cost. This excludes specific circumstances which are carried at revalued amount or fair value on the reporting date. A note to this effect can be found in the respective accounting policies.

Historical cost is generally based on the fair value of the consideration paid in exchange for the asset. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This applies irrespective of whether the price is directly observable or is estimated using a measurement method.

The financial statements comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes. The financial statements correspond to the classification requirements of IAS 1. In the interest of clarity, the items in the statement of comprehensive income and the statement of financial position are combined and further broken down and explained in the notes.

The accounting policies, as well as the explanations and further disclosures are applied consistently, unless the IFRS require changes.

The presentation in the statement of financial position distinguishes between current and non-current assets and liabilities. Assets and liabilities are classified as current when they are due or are settled within twelve months after the reporting period. To calculate the profit or loss and total comprehensive income the statement of comprehensive income is prepared in line with the nature of expense method.

The fiscal year of the company does not correspond to the calendar year. The past fiscal year (reporting period) was from 1 August 2017 to 31 July 2018. In the previous year there was a short fiscal year from 1 January 2017 to 31 July 2017, so that there is restricted comparability with the current fiscal year.

The financial statements are in euro (€), the functional currency of the company. Unless stated otherwise, all figures are rounded up or down to a full euro in accordance with standard commercial practice. Negative figures are shown in parentheses.

Receivables and liabilities in foreign currency are measured in profit or loss at the exchange rate as at the end of the reporting period. In the reporting period, there was no material impact from currency translation.

4. Accounting policies

Accounting was prepared under the going concern assumption. In preparing the financial statements of BCM, company assets and liabilities as well as income and expenses are not offset unless a regulation requires this or expressly allows it.

All statement of financial position items containing financial instruments according to IFRS 7 are carried at amortised cost. Their duration is less than one year.

As the company was not entitled to input sales tax in the reporting period, expenses are recognised on a gross basis.

a) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the company and the amount of the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

Interest income is recognised in line with the effective interest method when the interest arises. The effective interest rate is the rate with which the expected future cash payments are discounted over the expected life of the financial instrument to the net carrying amount of the financial asset.

b) Personnel expenses

Obligations from short-term benefits for service from employees which has already been rendered are to be recognised at the level expected to be paid in exchange for that service. The obligation is recognised as a liability after deducting any amount paid and as expenditure.

c) Other comprehensive income

Transactions not impacting the profit or loss are recognised in other comprehensive income. Other comprehensive income is recognised before taxes. In the fiscal year, the company did not record any transaction to be recognised in other comprehensive income.

d) Intangible assets

Intangible assets are measured at amortised cost. All intangible assets are purchased intangible assets.

Amortisation on intangible assets is recognised in profit or loss. If relevant events or changes of the circumstances indicate that the carrying value is no longer recoverable, impairment is recognised at the level of the difference between the carrying value and the recoverable amount. The recoverable amount is the higher of value in use and fair value less costs to sell.

In subsequent periods, intangible assets are measured at cost, less any cumulative amortisation and impairment. Amortisation is recognised on a straight-line basis over the estimated useful life. For intangible assets, useful life can be determined and amounts to three years. Additions are amortised pro rata temporis from the month of acquisition. Amortisation methods and useful lives are reviewed at each reporting date and adjusted as necessary.

Costs incurred to restore or maintain the future economic benefits that the company had originally expected are recognised as an expense.

e) Property, plant and equipment

Property, plant and equipment are reported at cost less depreciation and cumulative impairment. The cost of property, plant and equipment consists of the purchase price and other non-refundable taxes incurred in connection with the purchase as well as all directly attributable costs incurred to bring the asset to its location and to bring it to working condition for its intended use. Subsequent expenditure such as service and maintenance costs are recognised as expenses in profit and loss in the periods in which they are incurred.

If it is likely that expenditure will lead to additional economic benefits to the company in excess of the originally assessed standard of performance of the existing asset, this expenditure is capitalised as an additional cost.

If parts of property, plant and equipment have different useful lives, they are recognised as separate items (main elements). Gains or losses from the disposal of property, plant and equipment are recognised in profit or loss.

Depreciation of property, plant and equipment is recognised in profit or loss. If relevant events or changes of the circumstances indicate that the carrying value is no longer recoverable, impairment is recognised at the level of the difference between the carrying value and the recoverable amount.

Property, plant and equipment are depreciated over a useful life of three years. Additions are depreciated pro rata temporis from the month of acquisition. Depreciation is recognised on a straight-line basis. Depreciation methods and useful lives are reviewed at each reporting date and adjusted as necessary.

Costs incurred to restore or maintain the future economic benefits that the company had originally expected are recognised as an expense.

f) Impairment of non-financial assets

Non-financial assets of the company are tested for impairment when facts or changes in circumstances indicate that the carrying amount may not be recoverable. If this is the case, the asset's recoverable amount is estimated. Intangible assets with an indefinite useful life are tested for impairment annually.

To test if there is impairment, assets are combined in the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or cash-generating units (CGU).

The recoverable amount of an asset or a cash-generating unit is the higher of its value in use and fair value less costs to sell. In the assessment of the value in use, the estimated future cash flows are discounted to present value. A discount rate before tax is used which reflects current market assessments of the interest effect and the special risks of an asset or cash-generating unit.

An impairment loss is recognised when the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment is recognised in profit or loss.

An impairment loss is reversed only to the extent that the carrying value of the asset does not exceed the carrying value that would have been determined net of depreciation had no impairment loss been recognised.

g) Financial instruments

Until 31 December 2017, the company classified the non-derivative financial assets in accordance with IAS 39 into the following categories:

> Financial assets measured at fair value through profit or loss (none at the reporting date)
> Held-to-maturity equity instruments (none at the reporting date)
> Loans and receivables
> Available-for-sale financial assets (none at the reporting date)

All financial instruments in the company are cash and cash equivalents and non-current liabilities.

The company classifies non-derivative financial liabilities as financial liabilities recognised at fair value through profit or loss, or as other financial liabilities.

The company recognises loans and receivables from the point in time they were incurred. All other financial assets and liabilities are initially recognised on the trading day when the company becomes contractual partner in accordance with the contractual regulations of the instrument.

The company derecognises a financial asset when the contractual rights relating to the cash flow from an asset expire or it transfers the rights to receive the cash flows in a transaction in which all material risks and rewards connected with the ownership of the financial assets are transferred. Derecognition also takes place if the company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and does not retain control of the financial asset. Each share in such transferred financial assets, which arise or remain in the company, is recognised as a separate asset or liability.

Financial liabilities are derecognised when the contractual obligations are met or cancelled, or when they expire.

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the company has a currently enforceable legal right to offset the recognised amounts and there is an intention either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Loans and receivables are measured at fair value on initial recognition, plus directly attributable transaction costs. In subsequent periods they are measured at amortised cost using the effective interest method.

A financial asset not classified at fair value though profit and loss is assessed at each reporting date to determine if there is any objective evidence that impairment has occurred.

The company takes account of evidence of impairment for financial assets measured at amortised cost at the level of both the individual asset and at collective level. All assets which are individually significant are assessed for specific impairment. Those which specifically prove not to be impaired are subsequently assessed collectively for any impairment which has occurred but has not yet been identified. Assets which are not individually significant are assessed for impairment on a collective basis by combining assets with similar risk characteristics in a group.

In the assessment of collective impairment the company uses historical information on the timing of payments and the level of the losses incurred, adjusted by Executive Board judgements whether the current economic and credit conditions are such that the actual losses are likely to be larger or less than the losses to be anticipated on the basis of historical trends.

Impairment is calculated as the difference between the carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate of the asset. Losses are recognised in profit or loss. If the company has no realistic prospect of the collectibility of the asset, the amounts are written off. If an event occurs after the recognition of the impairment which results in lowering the amount of the impairment, the lowered impairment is recognised in profit and loss.

A financial liability is recognised at fair value through profit or loss if it is held for trading purposes or is classified accordingly at initial recognition. Directly attributable transaction costs are recognised in profit or loss as they occur. Financial liabilities recognised at fair value through profit or loss are recognised at fair value. Appropriate changes which cover all interest expenses are also recognised in profit or loss.

Other non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. In subsequent periods these liabilities are measured at amortised cost using the effective interest method.

Other current liabilities are recognised in accordance with IAS 39. At initial recognition they are recognised at fair value.

Since the application of IFRS 9 from 1 January 2018, at initial recognition and subsequent measurement of financial assets and liabilities the classification depends on the business model of the company to manage its financial instruments and the contractual cash flow characteristics of the financial instruments.

The BCM business model to manage its financial instruments reflects how the company manages its financial assets to generate cash flows. Depending on the business model, cash flows arise from collecting contractual cash flows (“Hold” business model), the sale of financial assets (“Sell” business model) or both (“Hold and Sell” business model).

To ensure that a financial asset can be classified and measured as measured at amortised cost or fair value through other comprehensive income, cash flows must consist solely of payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at the level of the individual financial instrument.

Initial recognition and measurement: Financial instruments are agreements that give rise to a financial asset at one entity while at the same time giving rise to a financial liability or equity instrument at another. If the trade date and the settlement date differ for financial assets, the settlement date is decisive for initial recognition. A financial instrument is initially recognised at fair value, including transaction costs.

Subsequent measurement: Financial instruments at amortised cost are non-derivative financial instruments, which generate cash flows solely from payments of principal and interest (cash flow characteristics test) and which are held to collect the contractual cash flows (business model test). Financial instruments at amortised cost relate to other financial assets and financial liabilities as well as cash and cash equivalents. Subsequent to their initial recognition, such financial instruments are measured at amortised cost using the effective interest method less impairment. Amortised cost is calculated by taking into account any discount or premium at acquisition and fees or transaction costs that are an integral part of the effective interest rate. For current financial assets and financial liabilities, the carrying amount is a reasonable approximation of the fair value.

Impairment: Impairment for financial assets measured at amortised cost is recognised on the basis of the expected credit loss. The ECLs are based on the difference between the contractually due cash flows and all cash flows which the company expects to receive, discounted at an approximation of the original effective interest rate. The forecast cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. A three-stage mode is used to allocate credit losses:

Stage 1: Expected credit losses for the next twelve months

Stage 1 includes all contracts with a material significant increase in credit risk since initial recognition. This generally includes new contracts and those whose payment are past due by less than 31 days. The expected credit losses which result from a default within the next twelve months are recognised.

Stage 2: Lifetime expected credit losses – not credit-impaired

A financial asset that has undergone a significant increase in credit risk but that is not credit-impaired is assigned to Stage 2. For trade receivables the simplified approach is used, where these receivables are allocated to Level 2 at initial recognition The assessment if a financial asset has experienced a substantial increase of the credit risk is based on an assessment of the default probabilities which is to be implemented at least once a quarter, taking account not only of external rating information but also internal information on the credit quality of the financial asset. The expected lifetime credit losses of the financial asset are recognised as an impairment loss.

Stage 3: Lifetime expected credit losses – credit-impaired

If a financial asset is negatively impacted in terms of its rating or has defaulted, it is assigned to Level 3. The expected lifetime credit losses of the financial asset are recognised as an impairment loss. Objective evidence that a financial asset is credit-impaired or in default includes being past due by more than 90 days or other information on material financial difficulties of the debtor which indicate that the company is not able to receive the outstanding contractual cash flows in full, with account being taken of every credit enhancement. A financial asset is written down when there is no realistic expectation that the contractual cash flows will be collected. In Level 1 and 2 the effective interest income is determined on the basis of the gross carrying amount. As soon as the rating of a financial asset is impaired and assigned to Level 3, the effective interest income is calculated on the basis of the net carrying amount (carrying amount less risk provisioning). Expected credit losses are calculated on the basis of global default probabilities. Impairment losses are recognised in the income statement under other operating expenses.

Derecognition of financial assets: The company derecognises financial assets when the contractual rights to receive the cash flows from the asset expire or when the contractual right to receive the cash flows expire is transferred and as a result substantially all the risks and rewards of ownership of the financial assets are transferred.

As at the reporting data, the company has current assets primarily in the form of bank balances and cost reimbursement claims.

The liabilities essentially relate to current liabilities.

Financial liabilities are allocated to the “Hold” business model and are measured at fair value on initial recognition. Subsequent measurement is at amortised cost.

The initial application of IFRS 9 did not result in any significant application effects.

h) Equity

Subscribed capital and capital reserves are carried at nominal amount. Costs directly attributable to the issue of shares are deducted from capital reserves. Income taxes in respect to transaction costs in an equity transaction are recognised in accordance with IAS 12. The shares held by the company in the context of the share loan are not to be recognised in accordance with IAS 32, as the company has no rights from the shares.

i) Other financial obligations
When an arrangement is concluded, the company assesses whether an arrangement is, or contains, a lease. In the reporting period, there were only corresponding arrangements in the context of operating leases. These are recognised in profit and loss on a straight-line basis over the duration of the leasing arrangement. There is no recognition in the statement of financial position

j) New and amended standards
In the current fiscal year, the company applied the following reporting standards for the first time. However, they had no material impact on the earnings, asset and financial position. The overviews below show the all the standards relevant for the company.

New and amended standards - effective in the EU

Standard	Name	Mandatory application
IFRS 9	Financial instruments	01.01.2018
	Annual Improvement to IFRS Standards 2014-2016 Cycle	01.01.2017/01.01.2018

The IASB and IFRS Interpretations Committee have issued the following standards, amendments to existing standards and interpretations that are not yet effective or whose IRFS adoption have not yet been endorsed by the European Union. The following IFRS and interpretations relevant for the company have not been applied.

Standards and interpretations adopted from the EU that are not yet mandatory

Standard	Name	Mandatory application	Impact on BCM
IFRS 16	Leases	01.01.2019	See information below
IFRIC 23	Uncertainty over Income Tax Treatments	01.01.2019	No material impact expected
	Annual Improvements to IFRS Standards 2015-2017 Cycle	01.01.2019	No material impact expected

IFRS 16 “Leases” provides new regulations on the accounting recognition and the information in the notes relating to leases. As a result, for the first time the company the company will recognise the value in use of the property used in the context of a sub-lease contract and the relating leasing liability as an asset / liability. This results in an anticipated expansion of the financial position of approximately € 230,000.

5. Significant judgements, estimates and assumptions
In applying the accounting methods, some judgements are made that significantly influence the amounts in the financial statements. In addition, when preparing the financial statements assumptions and estimates about the future are to be made which can impact the carrying amounts of statement of financial position items and the level of income and expenses. The actual amounts may differ from these estimates. The most important assumptions about the future and other sources of estimate uncertainty, as a result of which material adjustments may become necessary, are elucidated below.

a) Provisions
The recognition and measurement of provisions takes place on the basis of an assessment of the probability of a future outflow of benefits and using values based on experience and circumstances known at the end of the reporting period. The actual future obligation can differ from the amounts recognised as provisions.

b) Deferred taxes

Deferred taxes are recognised for the differences between the carrying amounts of the assets and liabilities in the financial statements and the corresponding tax reporting in the context of calculating taxable income. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. Such deferred tax assets and deferred tax liabilities are not recognised if they arise from temporary differences from goodwill or from initial recognition (except in the case of business combinations) from other assets and liabilities which result from events which do not affect either the taxable income or the result for the period.

The carrying amount of deferred tax assets is assessed each year on the reporting date and reduced if it is no longer probable that sufficient taxable income will be available against which the deferred tax asset can be fully or partially utilised.

Tax liabilities and tax assets are determined on the basis of tax rates and tax legislation expected to apply when the liability is settled or the asset is realised. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The costs of the capital increase of 15 December 2017 of € 884,621 can result in a future reduction of income taxes of € 265,386. The tax loss carry forwards from 2017 of € 43,115 can be used to reduce future income taxes at an amount of € 13,764. No deferred tax is recognised for these circumstances as future positive taxable income was not sufficiently concrete at the time the financial statements were prepared.

II Notes on the statement of comprehensive income

The statement of comprehensive income was prepared in accordance with the nature of expense method.

6. Other operating income

Other operating income of € 72,549 primarily covered reimbursement claims from due diligence costs of € 72,421.

7. Personnel expenses

Personnel expenses break down as follows:

In €	01.08.2017 - 31.07.2018	01.01.2017 - 31.07.2017
Wages and salaries	62,547	-
Social security contributions	12,656	-
Personnel expenses	**75,203**	**-**

8. Other operating expenses

Other operating expenses break down as follows:

In €	01.08.2017 - 31.07.2018	01.01.2017 - 31.07.2017
Due diligence costs	191,133	-
Advertising costs and travel expenses	155,837	-
Preparation and audit of financial statements	126,588	17,000
Legal and consulting expenses	120,982	742
Supervisory Board compensation	120,000	-
Staff recruitment	82,665	-
Insurance and contributions	43,658	-
Costs of premises	40,648	-
IT costs	28,075	-
Other costs	27,747	1,560
Other operating expenses	**937,333**	**19,302**

9. Depreciation and amortisation

Depreciation and amortisation of € 1,041 relates to property, plant and equipment and amortisation to intangible assets and impairment of € 3,033.

10. Finance income

Finance income relates to interest income of € 1,250.

III Notes on the statement of financial position

11. Non-current assets

Non-current assets of € 18,799 (previous year: € -) relate to capitalised costs in connection with the creation of the company web site. In property, plant and equipment, IT hardware of € 4,032 (previous year: € -) is recognised.

In the fiscal year, there was only scheduled amortisation and depreciation on tangible assets and property, plant and equipment. Assets are made up as follows:

In €	**Property, plant and equipment** Other equipment, operating and office equipment	**Intangible assets** Web site
Cost		
01.08.2017	-	-
Additions	5,073	21,832
Disposals	-	-
31.07.2018	5,073	21,832
Depreciation and amortisation		
01.08.2017	-	-
Additions	1,041	3,033
Disposals	-	-
31.07.2018	1,041	3,033
Carrying amounts		
01.08.2017	-	-
31.07.2018	**4,032**	**18,799**

As there were no assets in the previous reporting period, there is no relevant detailed overview.

12. Current assets

Current assets break down as follows:

In €	31.07.2018	31.07.2017
Cost reimbursement receivables	88,088	-
Advance payments	17,922	-
Current tax assets	3,084	-
Cash on hand	225	-
Bank balances	45,919,937	2,520,023
Current assets	**46,029,255**	**2,520,023**

13. Subscribed capital

Subscribed capital was provided in full by the change in legal form of the previous legal entity, Eagle Fonds Verwaltungs- und Treuhand-GmbH, with its registered office in Frankfurt am Main, entered in the Commercial Register of the Frankfurt am Main District Court under HRB 78705.

After the entry in the Commercial Register on 2 August 2017, subscribed capital amounted to € 2,500,000 and was divided into 2,500,000 no-par value registered shares (shares) with a notional interest in the share capital of € 1.00 per share, held entirely by the founder team, the "Brockhaus shareholders" (Brockhaus shares).

In the future, BCM intends primarily to take majority interests in companies with business models driven by innovation and technology in the context of a strategy based on a long-term investment strategy. The necessary initial funds were obtained by issuing new no-par value bearer shares.

On 22 September 2017, the Annual General Meeting resolved a capital increase of between € 5,000,000 to € 7,500,000. With the approval of the Supervisory Board, by resolution on 15 December 2017, the Executive Board determined the scope of the capital increase to € 1,652,000 by the issue of 1,652,000 new shares.

With the approval of the Supervisory Board, on 15 December 2017 the Annual General Meeting authorised the Executive Board to increase the share capital on one of more occasions by up to € 2,076,000 against cash or non-cash contributions by 14 December 2022, with it being possible to exclude the subscription right of shareholders (Authorised Capital 2017/I).

a) Share loan

On 21 December 2017 (transfer date), the Brockhaus shareholders initially transferred the company a total of 1,674,000 of their Brockhaus shares on the basis of a free unremunerated share loan (loaned shares) with all the related rights and obligations. Furthermore, on the transfer date the Brockhaus shareholders instructed KAS-Bank N.V., Frankfurt am Main, to transfer the loaned shares to the company's securities account at Deutsche Bank AG, Frankfurt am Main.

The successive retransfer of the loaned shares to the Brockhaus shareholders took place at a ratio of 1:2 to new shares, created in the context of future capital increases. The purpose of this regulation is to restrict the share of voting and profit participation rights of the Brockhaus shareholders to a third. The share loan ends in full when all 5,000,000 new shares were issued to investors which are not Brockhaus investors and the company's total share capital then amounts to € 7,500,000.

The loan has a maximum duration of three years, calculated from the transfer date, thus ending no later than the end of 20 December 2020. If there are still loaned shares in the possession of the company at the end of the term, these loaned shares will be transferred to all the shareholders (including the Brockhaus shareholders) which as at the end of 20 December 2020 are company shareholders on a pro rata basis as a proportion of their stake at this time.

For the impact of the share loan at the point in time of the capital increase on 15 December 2017, please refer to the following diagram.

In €	Before capital increase	Effect of capital increase	After capital increase
Shareholders			
Pre-IPO investors	-	1,652,000	1,652,000
Team (Brockhaus shareholders)	2,500,000	(1,674,000)	826,000
Treasury shares (share loan)	-	1,674,000	1,674,000
Subscribed capital	**2,500,000**	**1,652,000**	**4,152,000**

As at the reporting date of 31 July 2018, the company share capital amounts to € 4,152,000. It is divided into 4,152,000 no-par bearer shares.

They are distributed to the individual shareholders as at the reporting date as follows:

> Brockhaus shareholders: 826,000 shares (19.9%) of the company,
> BCM (share loan): 1,674,000 shares (40.3%) of the company,
> Pre-IPO investors: 1,652,000 shares (39.8%) of the company.

As a result of the share loan, the distribution of the voting and dividend rights are as follows:

> Brockhaus shareholders: 826,000 shares (33.3%) of the company,
> Pre-IPO investors: 1,652,000 shares (66.7%) of the company.

14. Capital increase not yet registered

At the end of the previous year, in July 2017, there was a capital increase at the company. As this had not yet been entered in the Commercial Register by the reporting date of the previous year, and thus was not an element in subscribed capital, a separate item was created in the statement of financial position. With the entry in the Commercial Register on 2 August 2017, the capital increase which had not yet been entered became subscribed capital.

15. Capital reserves

In September 2017, € 15,000 was paid into the free capital reserves. In addition, as a result of the subscription amount in the course of the capital increase on 15 December 2017, € 42,952,000 was transferred to capital reserves. As a result, as at 31 July capital reserves amounted to € 42,140,379.

a) Costs for the issue of equity instruments

The costs of € 884,621 (previous year: € 0) for the capital increase of 15 December 2017 are to be deducted from equity as they are directly attributable costs. Of this amount, € 265,386 relates to taxes which cannot yet be realised. Equity costs are not reduced by deferred taxes as future taxable income was not sufficiently specific at the time the financial statements were being prepared.

16. Other current liabilities

Other current liabilities of € 760,125 (previous year: € 19,630) relate to outstanding invoices, Supervisory Board remuneration and other liabilities.

All other liabilities have a remaining term of less than twelve months.

17. Other financial obligations

The company has concluded a sub-lease for business premises with Brockhaus Private Equity GmbH. This arrangement is to be classified as an operating lease as substantially all the risks and rewards of the land and property are with the lessor. In the reporting period the expense amounts to € 33,634. The leasing agreement runs to September 2021. The payments are determined by contract.

As at the reporting date, future payments from the sub-lease are to be made as follows:

In €	31.07.2018	31.07.2017
Up to one year	105,681	-
Longer than one year and up to five years	229,441	-
More than five years	-	-
Other financial obligations	**335,122**	**-**

IV Notes on the statement of changes in equity

In the statement of changes in equity in accordance with IAS 1.106 et seq. the development of each component in equity is shown within the reporting period and in the previous reporting period.

V Notes on the statement of cash flows

In the statement of cash flows in accordance with IAS 7 cash flows are recognised to show information on the movement of cash of the company. Cash flows are broken down into those from operating activities, investing activities and financing activities. The total of the cash flows from the three sub-areas corresponds to the change of cash and cash equivalents.

The statement of cash flows is calculated using the indirect method for presenting cash flows from operating activities and using the direct method for the presentation of cash flows from investing and financing activities.

Cash and cash equivalents at the beginning and the end of the reporting period consisted of cash in hand and bank balances.

VI Financial instruments

The company's Executive Board is responsible for the establishment and control of risk management.

a) Credit risks

A credit risk is the risk that one party to a financial instrument will cause a financial loss for the other company by failing to discharge an obligation.

The credit risk results from non-current assets. The carrying amounts correspond to the maximum default risk. The company's financial assets comprise exclusively cash and cash equivalents. As at the reporting date, there were no financial assets to be measured at fair value. The material receivables of the company are to banks which have AA- to AA+ ratings. Nonetheless these bank balances are subject to credit risk which are monitored by the Executive Board on an ongoing basis.

b) Liquidity risks

A liquidity risk is the risk that a company will encounter difficulty in meeting obligations associated with financial liabilities.

In the context of budget planning and ongoing controlling, the Executive Board monitors the liquidity situation as well as current and future outflows of liquid funds.

c) Market risks

A market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. A differentiation is made between three types of risk: currency risk, interest rate risk and other price risk.

The company holds its cash and cash equivalents exclusively in its functional currency. There is no material exposure to changing interest rates or other prices.

VII Other disclosures

18. Related parties

Parties are considered to be related if they have the ability to control BCM or exercise significant influence over its financial and operating decisions.

Such companies and persons comprise key management personnel of BCM and companies controlled by key management personnel or under their significant influence.

a) Transactions with key management personnel

In relation to the company, key management personnel are members of the Executive Board and the Supervisory Board. There was no remuneration of the Executive Board in the reporting period. The members of the Executive Board were at the same time Managing Directors of Brockhaus Private Equity GmbH. Supervisory Board compensation amounted to € 120,000. Please refer to Note 23.

For business travel in the context of Executive Board activity for the company, the members of the Executive Board were reimbursed for travel costs.

As a result of his position as shareholder, a member of the Executive Board participated in the transfer to free capital reserves. Please refer to Note 14.

In the context of a share loan, a member of the Executive Board transferred 66,960 shares of the company to the company. Please refer to Note 15.

The combined values of the transactions and the outstanding amounts in connection with members of the management in key positions are shown below:

	Value of the transactions		Outstanding amounts	
In €	01.08.2017 - 31.07.2018	01.01.2017 - 31.07.2017	31.07.2018	31.07.2017
Supervisory Board compensation	120,000	-	120,000	-
Reimbursement of travel expenses	24,694	-	-	-
Transfer to free capital reserves	600	-	-	-

b) Other related parties

The members of the Executive Board take positions in other companies, as a result of which they have control or significant influence on the financial and operating policy of these companies. Some of these companies transacted business with BCM in the reporting period. Most of these relate to oncharging costs.

Falkenstein Heritage GmbH, with its registered office in Wetzlar, held 26.7% of the voting rights in the company as at 31 July 2018. Until the capital increase in December 2017, Falkenstein Heritage GmbH exercised a controlling influence on BCM AG. The company is controlled by a member of the BCM Executive Board.

Brockhaus Private Equity GmbH is a minority shareholder of the company with 3.3% of the voting rights and is controlled by the members of the BCM Executive Board. In the reporting period there was a transaction from oncharging costs with Brockhaus Private Equity GmbH which were paid by Brockhaus Private Equity GmbH for BCM and represents expenditure for BCM.

In addition there is a sub-lease between the company and Brockhaus Private Equity GmbH. In this connection, please refer to Note 17.

As a result of their position as shareholders, Falkenstein Heritage GmbH and Brockhaus Private Equity GmbH participated in the transfer to free capital reserves.

Falkenstein Heritage GmbH and Brockhaus Private Equity GmbH are parties to the share loan and in this context transferred 1,355,940 shares of the company to the company.

The combined values of the transactions and the outstanding amounts in connection with companies controlled by key management personnel or under their significant influence are shown below:

In €	Value of the transactions 01.08.2017 - 31.07.2018	01.01.2017 - 31.07.2017	Outstanding amounts 31.07.2018	31.07.2017
Oncharging costs	180,235	-	-	-
Sub-lease	33,634	-	-	-
Transfer to free capital reserves	13,500	40,000	-	-

19. Events after the reporting period

On 6 December, the company legally acquired the 70% stake and the voting rights in Palas GmbH Partikel- und Lasermesstechnik, Karlsruhe, thus obtaining control over the company. As a result of the existing put option, which is recognised according to the anticipated acquisition method, the acquisition is presented as if 100% of the shares had been acquired. The total consideration transferred amounted to € 35,118,000. In the context of the transaction, the company's share capital was increased by € 100,000 to € 4,252,000 by issuing new shares.

On 11 September 2019, a resolution to increase the company's share capital by € 41,667 to €4,293,667 was passed. The capital increase was entered in the Commercial Register on 7 June 2019.

20. Fees for the audit company

The Frankfurt branch of KPMG Wirtschaftsprüfungsgesellschaft, with its registered office in Berlin, was appointed as auditor for the fiscal year ending 31 July 2018. The fee for the fiscal year is € 162,882 (previous year: € 14,500) and is made up of audits of financial statements of € 80,000 (previous year: € 14,500), other assurance services of € 71,458 and other services of € 11,424. The expenditure recognised in the reporting period also relates to the audit of the two previous fiscal years including the company's initial application of IFRS.

21. Employees

In the reporting period the company averaged one employee.

22. Company bodies

The BCM Executive Board is made up as follows:

> <u>CEO/CIO:</u> Marco Brockhaus, Königstein im Taunus
> <u>CAO/Legal Counsel):</u> Dr. Marcel Wilhelm, Kronberg im Taunus

Subject to overriding legal provisions, in the reporting period the BCM Supervisory Board consists of three members and was constituted as follows:

> <u>Chairman:</u> Dr. Othmar Belker, self-employed consultant, Kleinwallstadt
> <u>Deputy Chairman:</u> Michael Schuster, lawyer, Königstein im Taunus
> <u>Member of the Supervisory Board:</u> Dr. Lars-Gerrit Lüßmann, lawyer Frankfurt am Main

23. Total remuneration of the members of company bodies

The Chairman of the Supervisory Board receives annual fixed remuneration of € 60,000; the other members of the Supervisory Board each receive annual fixed remuneration of € 30,000. Members of the Supervisory Board also receive reimbursement of out-of-pocket expenses and any sales tax payable in connection with their remuneration.

No remuneration of the members of the Executive Board were incurred in the reporting period, as in the reporting period the members of the Executive Board still received their remuneration as Managing Directors of BPE GmbH.

24. Appropriation of earnings

The loss carried forward of the company from the previous year is carried forward to new account together with the net loss for the year for the reporting period. As at 31 July 2018, the company posted accumulated losses in accordance with German GAAP (HGB) of € 1,885,038.80.

Frankfurt am Main, 9 August 2019

Marco Brockhaus	Dr. Marcel Wilhelm