

31.08.2018

# Interim Half Year Report 2018



## Index

Management Report .....	3
Statement of the CEO .....	3
Our Economic Environment .....	4
Our Shares .....	5
Operations .....	5
Results .....	6
Financial Position .....	6
Strategy .....	7
Outlook .....	9
Risks .....	10
Management Board .....	12
Supervisory Board .....	13
Interim Financial Statements .....	14
Notes to the Interim Financial Statements (unaudited) .....	21
General Information of capsensixx AG .....	21
General Information on the Interim Financial Statements .....	22
Accounting and valuation methods .....	22
<b>Basis of preparation and changes to the Group's accounting policies</b> .....	23
Initiated, but not yet mandatory-to-use standards and interpretations .....	25
New Accounting Pronouncements .....	27
Information on Consolidation and Consolidation Methods .....	28
Business Segment and Related Information .....	31
Other Disclosures .....	34
Earnings per Share .....	34
Contingent liabilities, contingencies as well as transactions not included in the balance sheet ..	34
Subsequent Events .....	34
Employees .....	35
Forward looking Statements .....	36
Responsibility Statement of the Management Board .....	37

## Management Report

### Statement of the CEO

As announced on 22 August 2018, we grew significantly faster than expected given the market environment in the 1<sup>st</sup> half year of 2018. The net profit increased by 40.5% compared to the 1<sup>st</sup> half year of 2017. Net profit (after tax and minority interests) amount to EUR 0.7 million for the second quarter of 2018 and EUR 1.3 million for the six months period ending on 30 June 2018. Against major market trends, even the Assets under Administration within our Fund Management, Administration and Accounting segment is still growing and reached a new high on 31 July 2018 amounting to EUR 9.6 billion compared to EUR 8.9 billion as of 31st December 2017. While most of the benchmark markets decreased, that's a net-inflow of about 7.9%.

Beside the economic environment, the first half-year of 2018 was challenging for capsensixx and its subsidiaries. Beside the IPO preparations utilizing most of the managements, lawyers and accountants capacities, beginning of 2018 further regulatory guidelines were introduced and major law changes (ie the DSGVO in Germany) applied to our industries.

Although the increasing demand for regulatory reporting and complexity slows down our business development and new projects, the effects and pressure on the industry helps to attract new clients for our "Financial Services as a Service" platform.

In addition to our existing businesses within the "Fund Management, Administration & Accounting" and "Capital Markets & Corporate Services" segments, the third segment, which we expect strong pulses for future growth, "Digitization & IT Services" was funded successfully given our IPO and the successful increase of capsensixx's share capital end of June 2018. This segment will be shown separately in upcoming reports.

Within the upcoming months the management team of coraixx sets up its administrative and technical (IT) infrastructure. The staffing for technicians, programmers, sales and administrative teams starts right after the summer holiday season and some further leads are close to entering into the onboarding phase to implement coraixx's SaaS solution on their accounting. Couple of cooperations and service agreements have been entered to ensure coraixx to further develop its business, to address new clients and to take advantage of external experts supporting coraixx during the onboarding phase of further clients.

Beside its major client on tourism, agriculture, automotive and financial services most likely will be the next sectors coraixx provides its accounting solution based on artificial intelligence to.

Our outlook remains positive and we would be happy, to have our shareholders participating.

Sincerely,



Sven Ulbrich / CEO



## Our Economic Environment

With a remaining solid global economic growth, couple of topics resulted in an increase of market volatility: Main drivers were political uncertainty, central banks comments and surge in benchmark yields and growing inflationary risks. Thus said, the investor sentiment (measured by way of global net asset inflows) decreased slightly and it is likely the investors sentiment may continue to be depressed, if the above listed threats remain. In the first 6 months of 2018 most of the European benchmark stock indices lost in value.

capsensixx believes that several major developments are currently taking place in the fund, investment and asset management industries, in which it operates:

- Asset managers are playing a progressively larger role in providing capital to the economy, taking advantage of bank retrenchment due to regulatory and capital constraints.
- Low interest rates are causing a shift from unmanaged assets, such as cash and deposit accounts, into managed portfolios.
- Asset managers are developing new digital distribution capabilities as a way of accessing retail / direct-to-consumer channels, such as robo-advisory, particularly among younger customers.
- Increasing regulatory complexity and the continuous cost pressure contributes to the consolidation of the industry and the growth of companies providing the administration to the fund, investment and asset management industry.
- On the back of increased regulatory complexity, outsourcing has increased as small to medium size portfolio and asset managers have no longer the time, expertise, resources or risk appetite to perform the required services in-house.
- Evolving client needs require a shift towards consultation of clients to offer solution-based services tailored to the client's needs.
- Digitization and technical evolution provide additional transparency to portfolio managers, regulators and ultimately the investors. The provision of back-office functions in the asset management industry will become more automated and easier to perform.

Clients are redefining the benefits of outsourcing by asking their service providers to add value beyond cost cutting, such as providing new performance indicators, adding capacity and improved functional capabilities.

## Our Shares

capsensixx shares were publicly listed on the Frankfurt Stock Exchange on June 21, 2018 with an initial placement price set at EUR 16.00. The market capitalization of capsensixx totaled EUR 54.88 million based on the set share price. PEH Wertpapier AG is the majority shareholder, holding about 75% while including the Greenshoe the free-float is slightly below 25%.

From the IPO on June 21, 2018 to the end of the first half of the year, the share price generated a negative performance of 0.56 percent. In recent weeks the share price was volatile trading in a price range between EUR 14.85 and EUR 15.92.

The listing was an important milestone for capsensixx AG, helping to further expand our position as a **leading provider of “Financial Administration as a Service”**. **Resulting from the successful placement of the capital increase**, capsensixx has exercised its call option with INQUENCE GmbH, to transfer the application and existing clients of its accounting solution based on artificial intelligence to coraixx GmbH & Co KGaA (“coraixx”).

## Operations

capsensixx focuses on different products and services within the financial industry. It offers “Financial Administration as a Service”, which enables initiators and decisionmakers to center on their individual performance target, while capsensixx’ specialists cover all the administrative, risk-management, monitoring, controlling, reporting, registration and other regulatory duties. Cross-assets, cross-border and cross-products, capsensixx provides a “single point of entry” platform to decisionmakers. Its state-of-the-art technology, innovative developments and staff’s expertise helps clients to perform. Our products and services comprise:

*Fund Management, Administration & Accounting:* Axxion S.A. (including its Luxembourg subsidiary navAXX S.A. and its German subsidiary Axxion Deutschland Investmentaktiengesellschaft mit Teilgesellschaftsvermögen) (together “Axxion”) provides a fully integrated infrastructure for the entire product life cycle of investment funds: starting with issuance and required authorizations or listings, its day-to-day administrative business until final redemption or liquidation of a fund. Axxion also provides portfolio management services.

*Capital Markets & Corporate Services:* Oaklet GmbH, together with its Luxembourg subsidiary Oaklet S.A. (together “Oaklet”), provides advisory services on financial engineering helping initiators to fit with their individual, economic, regulatory and tax requirements. Oaklet arranges and coordinates all contractors and servicers during the issuance, the phase of capital expenditure and the redemption phase. Additionally, Oaklet S.A., as a regulated corporate service provider, provides directorship and administrative services to its corporate clients.

*Digitization & IT-services:* capsensixx intends to set-up and invest into start-up companies and to engage in further acquisitions in order to increase its service offerings within digitization & IT-services, dedicated to disruptive technologies reducing operating efforts, automation of individual workflows and self-learning and self-adjusting software using artificial intelligence. These services offer cost savings and increased efficiency, and will also enable clients to tailor their data-analysis in line with their data requirements.

capsensixx has continued its strong growth trend in the first half-year of 2018 compared to the half-year of 2017. This development has been driven by increased revenues from existing clients through net inflows in both (i) the Fund Administration & Accounting and (ii) the Capital Markets & Corporate Services segments, new structures as well as business wins from new clients.

## Results

Compared to the first six months of 2017, the Revenues in the first half of 2018 are **reported at € 52.8 million (+ 48.7%)** providing for net-Revenues of **€ 10.5 million (+18.9%)**. Due to our expansion in our “Fund Management, Administration & Accounting” and “Capital Market & Corporate Services” segments, the personnel costs increased by 9.6% compared to the same period of the previous year.

Good earnings ratios were achieved for the first half of 2018. **The “Net Profit” is reported at € 2.7 mill (+40%) and the “Net Profit (after tax and minority shares) amounting to € 1.3 million following € 0.97 million within the same period of the previous year.**

The following explanations are in connection with the annual financial statements 2017 of the capsensixx Group. The income statement gives a complete overview for the first half of 2018.

## Financial Position

All major assets and liabilities are in Euro. Hedges of foreign currency on assets or liabilities are not used. Derivative financial instruments are used only in exceptional cases.

The total capital was reported at **€ 34.4 million**, with an equity ratio of 45.9%.

The share capital was increased compared to the annual financial statements for 2017 - **it amounts to € 3,430,000.**

The earnings per share (diluted/undiluted) for the period of January to June 2018 is **€1.00 per share.**

Significant changes compared to December 31, 2017 have resulted in the following balance sheet items as of June 30, 2018:

Non-current assets increased significantly compared to December 31, 2017 to **€ 9.4 million. Cash and cash equivalents increased from € 4.96 million to € 10.8 million. Current liabilities decreased from € 45.31 million to € 14.29 million mainly driven by a decrease of trade payables. Non-current liabilities increased to € 4.3 million from € 0.2 million, the Equity excluding non-controlling interests amount to € 10.5 million compared to € 5.9 million on the 31 December 2017.**

## Strategy

capsensixx has a core organic growth strategy that is augmented with a focused acquisition growth strategy, both of which are reflected in the Group's successful growth track record in recent years. New businesses driving economic growth are sourced both from increasing revenues from existing clients setting up additional and new structures with the help of the Group and tend to use the Group for additional services as well as from new client relationships which we plan to continue to develop on the basis of our strong people led service philosophy.

### *Organic growth strategy*

The key drivers of the Group's organic growth strategy include:

- Building out the Group's market presence in existing asset classes.
- Development of core products related offerings to drive increased revenue opportunities through targeted entry into new products and structures.
- Market share increase by deepening and expanding existing client relationships by offering the most comprehensive product and jurisdictional range.
- Cross-selling to existing clients and delivering new client wins through direct referrals, intermediary referrals and direct targeting.
- Expansion of existing suite of services available to clients to ensure that the Group can continue to provide a 'one-stop-shop' solution to clients in each product class, as well as differentiating the Group from its competitors.

As the Group has been able to successfully use economics of scale and built its reputation, in particular with a focus on product class related businesses, the Group expects it to be able to more easily establish new client relationships either by directly approaching new clients or by way of direct or indirect referrals by other clients or service providers.



Axxion aims to grow organically by generating new clients and net-inflows. Given its ability to administer German domiciled funds and the (absolute) growth-rate of German based funds compared to Luxembourg based funds, Germany remains Axxion's region of focus. Since the fund industry in Luxembourg is expected to be subject to consolidation over the course of the next coming years, Axxion is also planning to provide its back-office-services (i.e., Transfer Agency, Accounting, NAV-calculation etc.) to external fund management companies and administrators and even competitors of Axxion.



Oaklet has started two major projects to improve its capital markets service offering and its corporate services with the aim to approach new clients:

- **"1sec SCOOP S.A."** has been founded in January 2018, with the aim to become one of first automated securitisation platforms in Europe and focused on large-scale institutions seeking independent service providers and issuers to securitize their transactions.
- Oaklet received a "carbon neutral" certification in autumn 2017 and is marketing its "carbon neutral securitisation" since then. Green bonds could play a key role in helping to finance the investments needed to achieve the EU's Climate and Energy objectives and the UN Sustainable Development Goals. The annual global investments required for the building of an infrastructure in a low-carbon scenario amount to trillions of euros, which are not expected to be met in the near future. Oaklet enables initiators and originators to perform their product development and issuances with a "green" service provider.



Coraix is establishing its business and operations in the upcoming months. The major focus is to onboard further clients to its automated accounting solution and to further increase the number of processed invoices. As its Software-as-a-Service offering enables clients to process their accounting data at just a fraction of costs and efforts of manual processing

## *Acquisition growth strategy*

Our organic growth strategy is supplemented by our acquisition strategy, with a strong track record of our management in sourcing, executing and integrating acquisitions. capsensixx takes a highly selective and disciplined approach to acquisitions, seeking to add capital value to the Group successfully avoiding any adverse impact on the existing business. Assessments are made as to the long-term strategic rationale of an acquisition opportunity based on a number of indicators, including:

- The opportunity to strengthen capsensixx's existing service delivery platform and to deliver operational capability to support capsensixx's growth story;
- The opportunity to acquire a skilled workforce to support capsensixx' people-led approach; and
- The synergy (rationalisation of systems and central functions) and cross-selling opportunities within the combined business.

The Company considers the expected further consolidation in the sector, which is additionally fueled by increasing regulatory requirements and the continuing exit of global accounting firms, law firms and banks from the industry as an opportunity for future acquisitions. capsensixx therefore reviews acquisition opportunities on an ongoing basis.

capsensixx aims to enhance its performance with complementary strategic acquisitions in what is a consolidating market and maintains a healthy pipeline of opportunities. capsensixx is focusing its attention on acquisition opportunities that enable it to deepen and further expand existing asset capabilities and broaden the product offering.



## Outlook

capsensixx's management outlook for the full year 2018 is positive, backed up by (at the date of this interim report) stable net inflows, a strong pipeline of projects and new products in both of its segments Fund Administration & Accounting and Capital Markets & Corporate Services and enhanced visibility and agility following capsensixx's initial public offering.

capsensixx sees opportunities to grow its footprint organically and to participate in the consolidation of the industry with selective acquisitions. The service lines and capsensixx's subsidiaries will continue to focus on providing high quality and innovative services, on maintaining high standards in compliance and client acceptance policies, on enhancing development of its staff and on maintaining its strong relationship with clients.

Over the medium term, the industry's global assets under management are expected to substantially increase, driven by strong net flows in alternatives and multi asset solutions, as in particular high-net-worth individuals and institutional investors are seeking for transparent, value-for-money and income-oriented products. Due to its capabilities to provide multi-asset solutions and structures for alternative investments, capsensixx is well- positioned to grow its market-share amid these industry growth trends.

The digital capabilities are supporting to distribute new products and services to the FinTech industry, and to also limit effects of rising costs of regulation and competitive dynamics.

In 2018, we expect revenues to be essentially higher than 2017, attributable to the full year recognition of the higher level of assets under administration ("AuA") achieved in 2017. **For the second half of 2018, capsensixx expects slightly increased AuA, mainly driven** by a net inflow. Overall costs are expected to be slightly higher mainly driven by higher regulatory costs of products.

Risks to capsensixx's outlook include the pace of the global net new asset growth, capital markets development and a continued political uncertainty worldwide. In addition, unforeseen regulatory costs and possible delays in the implementation may have an adverse impact on our costs and income base.

## Risks

We have (limited) exposure to the following main risks from our financial instruments: credit risk, liquidity risk and market risk (including currency risk and interest rate risk). Therefor have implemented policies and procedures designed to measure, manage, monitor and report risk exposures, which are regularly reviewed by our Management Board.

Our Management Board has overall responsibility for the establishment and oversight of our risk management framework. The framework identifies four risk categories: strategic, operational, reporting/finance and compliance. Periodic reporting with respect to the four risk categories takes place on the following items:

- reporting on pre-defined Key Risk Indicators;
- reporting on incidents; and
- reporting on periodic risk self-assessments, which are currently being rolled out and will be performed annually going forward.

We have adopted a 'three lines of defense' model to manage our risk:

- The first level of risk management is performed by the business. The primary responsibility for strategy, performance and risk management lies with the Management Board and the subsidiaries. Group entities need to adhere to regularly updated operational governance guidelines and a regularly updated risk management policy.
- The second level of risk management is risk oversight. This is on the subsidiaries level and its compliance officers, tax and legal advisors and the relationship managers, to ensure compliance procedures and policies are adhered to with respect to client and business acceptance according to a defined risk profile.
- The third level of risk management concerns assurance of the effectiveness of internal controls and general governance of our Group provided by our internal audit function. The objective is for our internal audit function to visit all Group entities at least once in three-year cycles. Our internal audit function reviews each operation primarily on quality of business processes, finance, compliance, IT, human resources and governance with a focus to improve the processes and the controls.

## The four risk categories

Beside the **Operations risk** linked to the business activities of its subsidiaries, capsensixx is exposed to:

**Credit risk** is the risk that a counterpart will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk primarily from trade receivables and cash at banks. Customer credit risk is very limited only, as our customers are either segregated funds or segregated accounts. Customer credit risk is managed by each of our entities subject to our policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are monitored and followed up continuously. We make provisions when there is objective evidence that we will not be able to collect the debts (for example if there is an indication that the debtor is experiencing significant financial difficulty or default, probability of bankruptcy, problems to contact the clients, disputes with a customer, etc.). Analysis is done on a case-by-case basis in line with policies. We write off bad debts when identified.

**The cash and cash equivalents and interest receivable that we hold are held mainly with banks which are rated 'BBB' or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd.**

**Liquidity risk** includes the risk of a shortage of funds and the risk that we will encounter difficulty in meeting our obligations associated with our financial liabilities.

We monitor our risk to a shortage of funds using a recurring liquidity planning: global cash flow forecasts each December for the next twelve-month period.

Our subsidiaries prepare their own cash flow forecasts and are consolidated by our Management Board. Our Management Board monitors rolling forecasts of our liquidity requirements, as well as our actual cash and receivables position to ensure that we have sufficient cash to meet operational needs while maintaining sufficient headroom on our committed borrowings facilities to ensure that we do not breach borrowing limits or covenants.

We keep the amounts required for working capital management and our Management Board determines the best use of any excess cash (repayment of loans, deposits, etc.).

**Market risk** is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect our income or the value of our holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Our **exposure to the risk of changes in exchange rates** relates primarily to our operating activities (when revenue or expenses are denominated in a different currency from our functional currency). Our exposure is mainly with respect to US dollars (USD), Canadian Dollar (CAD) and Swiss francs (CHF).

## Risk Findings during the period of this interim report

None of the risks were reported being "significant" within the Group during the period of this interim report.

## Management Board

**Sven-Uwe Ulbrich** ("Sven"), born on 13 February 1973 in Munich, is our Chief Executive Officer (CEO) and Chairman of the Management Board.

Sven is one of the founders of Oaklet GmbH, which was founded in 2006. He started his financial career in 1999 joining the compliance and operations department of Hornblower Fischer AG. During 2000 Sven became a licensed EUREX-Trader, EUREX-Supervisor and made several Series examinations with the United States Securities and Exchange Commission (SEC) and the United States Commodity Futures Trading Commission (CFTC). Until 2002 he supervised the financial futures business of Hornblower Fischer AG in Germany, before he and a few partners started its own asset management company in Frankfurt - KMS Asset Management AG. Sven was responsible for a team **within the field of "structured products" mainly equity derivative products issued by leading investment banks**. In 2005 he designed the first bank-independent securitisation transaction in Luxembourg following the Luxembourg securitisation law of 2004. PEH Wertpapier AG purchased a majority stake in Oaklet GmbH in 2007 and Sven became member of the management board of PEH Wertpapier AG in 2011. Sven has been appointed as capsensixx's CEO and his contract was switched from PEH Wertpapier AG to capsensixx AG with effect of the listing (*Aufnahme des Handels*) of capsensixx shares on the Frankfurt Stock Exchange.

**Fabian Art-Ihno Fohre** ("Fabian"), born on 22 January 1974 in Las Palmas de Gran Canaria (Spain), is our Chief Financial Officer (CFO) and a member of the Management Board.

After finishing his Japanese Studies, Fabian became an operator at Hornblower Fischer AG's wire room in 1999. In 2000 he joined Equinet Securities AG as trader-assistant and became stock trader on XETRA and Floor-Trader later on. In 2004 he joined at KMS Asset Management **AG within the structuring team of Sven's "structured products" unit**. Together with Sven and the other founding partners of Oaklet GmbH, Fabian became one of the executives at Oaklet GmbH in 2006 and today is member of the board of directors of Oaklet S.A. Fabian has been appointed as capsensixx's CFO.

## Supervisory Board

**Martin Stürner** started his career in the financial sector back in 1981 when he joined Munchinger Bank eG. In 1984 he became branch office manager in Muenchingen and became asset manager at Commerzbank (Munich) in 1985. Starting from 1987 until late 1989 he was team-leader at Bayerische Hypotheken- und Wechselbank AG, before he started his final banking position with M.M. Warburg & CO in Hamburg as a fund manager and asset manager. In 1995 he joined PEH Wertpapier AG and became one of its shareholders. Today he is the largest single-investor in PEH Wertpapier AG and its chief executive officer (CEO) (*Vorstandsvorsitzender*).

**Rudolf Locker** finished his study of economics in Mainz in 1973. He became auditor at Arthur Anderson in 1974 and did his tax-advisor examination in 1976. Between 1976 and 1995 he developed his own tax advisory and audit company, whilst he became an approved auditor in 1989. In 1995 he was one of the founding members of btu Beraterpartner Wirtschaftsprüfungsgesellschaft in Oberursel and did transfer his business in kind. In 1993 he was one of the founding partners of FiRe GmbH, which in 1999 went public and today is known as Amadeus FiRe AG. Today Rudolf Locker is one of the major shareholders of PEH Wertpapier AG and chairman of the supervisory board of PEH Wertpapier AG.

Rudolf Locker purchased 82,000 shares of capsensixx AG and accordingly holds 2.39% of capsensixx's share capital.

**Gregor Langer** finished his studies of economics in Bruxelles before working for the Intercontinental Hotel Group in several administrative and organisational positions. 1989 he joined Atlantic International Leasing GmbH - a specialist of IT-leasing - as its financial officer. Realizing the opportunities of such leasing business and financial solutions he became entrepreneur and founded several leasing companies, growing them by buy & build into the AML Leasing Group, which he sold in 2007. Today Gregor Langer acts as a private investor and so-called 'business angel'. **Georg Langer is member of the supervisory board of PEH Wertpapier AG.**

Gregor Langer purchased 25,000 shares of capsensixx AG and therefor he accounts for 0.73% of capsensixx's share capital.

## Interim Financial Statements

The financial information contained in the following tables is taken or derived from the Issuer's audited combined financial statements as of and for the years ended 31 December 2017, 31 December 2016 as well as 31 December 2015, and the Issuer's unaudited interim financial statements as of and for the time period ended 30 June 2018, as well as for comparison reasons the unaudited interim financial statements as of 30 June 2017. The audited combined financial statements and the unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). As Axxion S.A. and Oaklet GmbH and their subsidiaries were consolidated for the first time as of 28 March 2018 within capsensixx AG, the balance sheet and the statement of changes in equity as of 30 June 2018 in the unaudited interim financial statements each represent consolidated financial information. Prior to 28 March 2018, capsensixx was not a group within the meaning of IFRS 10. In the unaudited interim financial statements for the six-months-period from 1 January 2018 until 30 June 2018, the profit and loss statement, statement of comprehensive income and the statement of cash flows as well as the notes for the period 1 January 2018 to 30 June 2018 have been prepared by combining the IFRS financial statements of Axxion, Oaklet and capsensixx AG (combined financial information). The audited combined financial statements mentioned above have been audited by the independent auditor Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main.

**Where financial data in the following tables is labelled "audited", this means that it has been taken from the audited combined financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial data that has not been taken from the audited statements mentioned above but rather was taken from either our unaudited interim financial statements or the Issuer's internal reporting system or has been calculated based on figures from the sources mentioned before. Financial information presented in the text and tables below is shown in thousands of euro ("TEUR" or "T€") (EUR thousand), except as otherwise stated.**

Certain financial data (including percentages) in the following tables have been rounded in accordance with standard commercial practice. As a result of rounding effects, the aggregated figures in the tables may differ from the totals shown and the aggregated percentages may not exactly equal 100%. In addition, rounded totals and subtotals in the tables may vary marginally from unrounded figures indicated elsewhere in this prospectus. Furthermore, in those tables, these rounded figures may not add up exactly to the totals contained in those tables.

## Interim Financial Information from the Income Statement

in T€	Six months ended		Year ended		
	30 June 2018	30 June 2017	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenues.....	52,770	35,453	116,200	65,544	69,455
Other operating income .....	394	397	694	753	943
Cost of materials.....	-42,230	-26,586	-96,583	-48,768	-52,486
Wages and salaries.....	-2,771	-2,501	-5,331	-4,708	-4,399
Social security, pension and other benefits.....	-729	-685	-1,408	-1,187	-983
Depreciation and amortization on intangible fixed assets and tangible assets.....	-516	-476	-976	-752	-566
Other operating expenses...	-3,081	-2,714	-5,433	-5,085	-5,133
Finance income.....	8	8	31	40	0
Other interest and similar income .....	12	10	31	12	52
Finance costs .....	-2	-4	-8	-6	-5
Profit before Tax .....	3,855	2,902	7,217	5,843	6,878
Taxation.....	-1,155	-980	-2,241	-1,772	-2,048
Net profit.....	2,700	1,922	4,976	4,071	4,830
Net profit attributable to non-controlling interests	1,380	953	2,447	2,011	2,390
Net profit (attributable to shareholders of capsensixx AG)	1,320	969	2,529	2,060	2,440

## Interim Financial Information from the statement of comprehensive income

in T€	Six months ended		Year ended		
	30 June 2018	30 June 2017	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
<b>Net profit.....</b>	<b>2,700</b>	<b>1,922</b>	<b>4,976</b>	<b>4,071</b>	<b>4,830</b>
Other comprehensive income.....					
Fair Value reserve of financial assets at Fair value	160	62	110	-26	113
Items that will be reclassified					
+/- Financial assets at Fair Value	160	52	110	-26	113
+/- Income tax	-48	-12	-32	8	-34
<b>Other comprehensive income</b>	<b>112</b>	<b>40</b>	<b>78</b>	<b>-18</b>	<b>79</b>
Thereof: attributable to non-controlling interests	53	18	37	-8	37
Thereof: attributable to shareholders of capsensixx AG	59	22	41	-10	43
Total Income					
Net income	2,700	1,922	4,976	4,071	4,830
Other comprehensive income	112	40	78	-18	79
<b>Total income</b>	<b>2,812</b>	<b>1,962</b>	<b>5,094</b>	<b>4,053</b>	<b>4,909</b>
Thereof: attributable to non-controlling interests	1,433	972	2,484	2,003	2,426
Thereof: attributable to shareholders of capsensixx AG	1,379	990	2,570	2,050	2,483



## Interim Financial Information from the Balance Sheet

<i>in T€</i>	30 June 2018	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
<b>Assets / Non-current assets</b>				
Goodwill .....	587	44	44	44
Other intangible assets .....	6,717	1,845	2,124	1,036
Tangible assets .....	769	932	946	1,036
Non-current financial assets .....	1,205	562	647	560
Deferred tax assets .....	88	105	195	167
Non-current assets .....	9,366	3,488	3,956	2,843
<b>Current assets</b>				
Trade receivables .....	9,666	44,526	13,140	14,531
Income tax assets .....	87	139	112	77
Short term financial assets .....	1,388	461	2,156	1,119
Available for sale assets <sup>1</sup> .....	3,113	3,536	1,947	1,204
Cash and cash equivalents .....	10,768	4,961	3,798	6,849
Current assets .....	25,022	53,623	21,153	23,780
<b>Total assets .....</b>	<b>34,388</b>	<b>57,111</b>	<b>25,109</b>	<b>26,623</b>
<b>Equity and Liabilities</b>				
Subscribed capital .....	3,430	100	100	100
Capital reserve	4,129			
Retained earnings .....	1,619	83	42	53
Profit carried forward .....	0	192	-138	-343
Net profit .....	1,320	2,529	2,060	2,440
Equity compensation item .....	0	2,670	2,670	2,670
Equity excluding non-controlling interests .....	10,498	5,934	5,094	5,280
Non-controlling interests ...	5,283	5,648	4,818	4,945
Non-current liabilities	4,316	215	223	186
Current liabilities	14,291	45,314	14,974	16,212
<b>Total equity and liabilities...</b>	<b>34,388</b>	<b>57,111</b>	<b>25,109</b>	<b>26,623</b>

<sup>1</sup> In accordance with IFRS 9, financial instruments previously classified as "Available for Sale" in our combined financial statements were reclassified to IFRS 9 categories as from 1 January 2018 in our interim financial statements.

Interim consolidated statement of changes in equity  
for the six months period ended 30 June 2017

	Consolidated subscribed capital	Consolidated capital reserve	Consolidated retained Earnings	Consolidated Available-for sale reserve / Fair value reserve of financial assets at fair value	Consolidated Equity compensatio n item	Consolidated Retained adjusted consideration	Consolidated Other equity components	Consolidated Equity capitall	Consolidated non- controlling interests	Consolidated Total
	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€
Balance as of 1 Jan 2017	100	0	1,922	42	2,700	360	0	5,094	4,818	9,912
Income	0	0	969	22	0	0	0	991	972	1,963
Dividends paid	0	0	-1,200	0	0	0	0	-1,200	-1,200	-2,400
Balance as of 30 June 2017	100	0	1,691	64	2,700	360	0	4,885	4,590	9,475

Interim consolidated statement of changes in equity  
for the six months period ended 30 June 2018

	Consolidated subscribed capital	Consolidated capital reserve	Consolidated retained Earnings	Consolidated Available-for sale reserve / Fair value reserve of financial assets at fair value	Consolidated Equity compensatio n item	Consolidated Retained adjusted consideration	Consolidated Other equity components	Consolidated Equity capital	Consolidated non- controlling interests	Consolidated Total
	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€
<b>Balance as of 1 Jan 2018</b>	<b>100</b>	<b>0</b>	<b>2,271</b>	<b>83</b>	<b>2,670</b>	<b>360</b>	<b>0</b>	<b>5,934</b>	<b>5,648</b>	<b>11,582</b>
Adjustments due to changes in consolidation	0	0	-2,723	-83	-2,670	-360	0	-5,836	-5,648	-11,484
<b>Balance as of 1 Jan 2018</b>	<b>100</b>	<b>0</b>	<b>-2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>98</b>	<b>0</b>	<b>98</b>
Adjustment due to first time consolidation	0	0	2	0	0	0	0	2	5,638	5,640
Additions due to consolidations	0	0	4,421	0	0	0	1,790	6,210	0	6,210
Fair Value adjustments due to first-time adoption of IFRS9	0	0	0	41	0	0	0	41	37	78
Income	0	0	1,320	0	0	0	0	1,320	1,380	2,700
Fair value adjustments of financial assets	0	0	0	18	0	0	0	18	17	35
Capital contribution relating to a contribution in kind (transfer of shares of Axxion and Oaklet)	3,000	0	0	0	0	0	-3,000	0	0	0
Expenses relating to issuance of new shares	0	-821	0	0	0	0	149	-672	0	-672
Reclassification of consolidated other equity components	0	0	-1,061	0	0	0	1,061	0	0	0
Capital increase	330	4,950	0	0	0	0	0	5,280	0	5,280
Dividends paid	0	0	-1,800	0	0	0	0	-1,800	-1,800	-3,600
First time consolidation of coraixx	0	0	0	0	0	0	0	0	12	12
<b>Balance as of 30 June 2018</b>	<b>3,430</b>	<b>4,129</b>	<b>2,880</b>	<b>59</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,498</b>	<b>5,283</b>	<b>15,781</b>

## Interim Financial Information from the Cash Flow Statement

<i>in T€</i>	Six months ended			Year ended	
	30 June 2018	30 June 2017	31 Dec 2017	31 Dec 2016	31 Dec 2015
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Net profit including minority interests of minority shareholders, and receipts taxes, interest and dividends received.	3,829	3,157	7,168	5,836	6,481
Depreciation on fixed assets...	516	476	976	752	566
Interest paid.....	-2	-4	-7	-6	-8
Interest received .....	12	10	58	12	1
Income taxes paid .....	-870	-1,089	-2,255	-1,887	-1,979
Gain/loss on disposals .....	0	2	0	78	11
Increase / decrease of loans and advances to costumers, as well as other assets that are not to associate to investment or financing activities .....	32,409	3,488	-31,153	-487	-6,639
Increase / decrease of the liabilities to costumers, as well as other liabilities, which are not to associate to investment or financing activity ...	-30,501	-3,689	30,445	-1,157	7,513
Cash-flow from operating activities.....	5,393	2,351	5,232	3,141	5,946
Payments for investments in intangible assets .....	-2,224	-166	-301	-1,499	-896
Payments for investments in real assets .....	-44	-215	-383	-328	-390
Cash-flow from investing activities	-2,268	-381	-684	-1,827	-1,286
Cash injection due to capital increase .....	4,459	0			
Dividend payments to shareholders and non-controlling interests .....	-1,777	-2,661	-3,385	-4,366	-3,496
Cash-flow from financing activities.....	2,682	-2,661	-3,385	-4,366	-3,496
Change in cash funds.....	5,807	-691	1,163	-3,052	1,164
Funds at beginning of period..	4,961	3,798	3,798	6,850	5,686
Funds at end of period.....	10,768	3,107	4,961	3,798	6,850

## Notes to the Interim Financial Statements (unaudited)

### General Information of capsensixx AG

For the implementation of the new corporate strategy, the Board of PEH Wertpapier AG decided an initial public offering of the segment administration / service, to which the two subsidiaries, **Axxion S.A., Grevenmacher, Luxembourg ("Axxion")**, and **Oaklet GmbH, Frankfurt am Main, ("Oaklet")** belong to. For this purpose, end of 2017 capsensixx AG, Frankfurt am Main ("capsensixx") as issuer was founded and registered on 28 November 2017, with the commercial register of the Amtsgericht Frankfurt am Main (HRB 110258). Registered office of capsensixx is Frankfurt am Main, Bettinastrasse 57. The fiscal year of capsensixx and the subsidiaries is the calendar year. The purpose of capsensixx is the administration of own assets, in particular the formation of partnerships and corporations, the acquisition and the holding of participations in enterprises of any kind, in Germany and abroad, also in companies, that are providing financial services, that are conducting banking business, that are engaged in the finance administrations, software developments and/or digitization of business processes and/or services of any kind, as well as the administration of these companies and participations.

The annual general meeting resolved on 28 March 2018 the transfer of shares of Axxion S.A. and Oaklet GmbH by way of a contribution in kind. PEH Wertpapier AG and capsensixx AG entered into a capital contribution and post-formation agreement on the same day. The contribution in kind shall have an economic effect as of 1 January 2018. The capital contribution and post-formation agreement was registered in the trade register of capsensixx AG on 18 April 2018.

Since 21 June 2018, capsensixx AG shares are listed on the Frankfurt Stock Exchange (prime standard) with ISIN DE000A2G9M17. The interim financial statements were prepared in euros. Unless otherwise indicated, all amounts are presented in thousands of euros (T€). These interim financial statements were prepared and authorized as of 31 August 2018 by the Board of Management of capsensixx AG.

PEH Wertpapier AG is pre and post the transfer of shares (contribution in kind) the parent company of capsensixx AG. capsensixx AG is included in the consolidated financial statements of PEH Wertpapier AG. The consolidated financial statements are available at PEH Wertpapier AG.

### Business model of capsensixx AG and its subsidiaries

The business, of capsensixx AG and its subsidiaries consists of the following areas of activity:

#### ***Fund Administration & Accounting:***

While the investment decision is with the initiators or any dedicated asset manager, Axxion (including its Luxembourg subsidiary navAXX S.A., Grevenmacher, Luxemburg and its German subsidiary, Axxion Deutschland Investment AG, Frankfurt am Main, Germany) provides a fully integrated infrastructure for the entire product life cycle of investment funds: starting with issuance and required authorizations or listings, its day-to-day administrative business until final redemption or liquidation.

#### ***Capital Markets & Corporate Services:***

Oaklet, together with its Luxembourg subsidiary Oaklet S.A., provides advisory services on financial engineering helping initiators to fit with their individual, economic, regulatory and tax requirements. Oaklet arranges and coordinates all contractors and servicers during the issuance, the phase of capital expenditure and the redemption phase. Additionally Oaklet S.A., as a regulated corporate service provider, provides directorship and administrative services to its corporate clients.

## General Information on the Interim Financial Statements

The interim financial statements of capsensixx AG for the six months ended 30 June 2018 were prepared in accordance with § 315e para 1 HGB and **the International Financial Reporting Standards (the "IFRS") of the International Accounting Standards Board ("IASB"), London**, as adopted by the European Union and in accordance with the interpretations of the International Financial Reporting Standards Interpretation Committee ("IFRSIC").

On 28 March 2018 capsensixx obtained control of the shares of Axxion and Oaklet. Upon change of control capsensixx and its subsidiaries **Axxion and Oaklet form a Group ("capsensixx Group", "Group") within the meaning of IFRS 10** and fulfill the requirements for the preparation of Consolidated Financial Statements. First time consolidation was performed as of 28 March 2018.

The balance sheet and the statement of changes in equity as of 30 June 2018 represent the consolidated financial information (indicated as Consolidated).

Before 28 March 2018, capsensixx Group was not a group within the meaning of IFRS 10. The interim financial information relating to the period from 1 January 2018 to 30 June 2018 such as the interim profit and loss statement, interim statement of comprehensive income and the statements of cash flows and the notes have been prepared by combining the IFRS financial statements of Axxion, Oaklet and capsensixx (Combined financial information, indicated as Combined).

Accordingly, the prior-year comparative information is extracted from combined Financial Statements of capsensixx AG prepared in accordance with IFRS as of and for the three years ended 31 December 2017, 31 December 2016 and 31 December 2015 ("CFS", indicated as Combined).

The financial information presented in these interim financial statements as of 30 June 2018 were prepared to comply with the Directive 2003/71/EG (in Germany by the German Securities Prospectus Act, Wertpapierprospektgesetz), the Commission regulation (EC) No 809/2004 and under consideration of the EU Regulation 2017/1129 of the European Parliament and of the Council of 14 June 2017. Before 28 March 2018, capsensixx AG has been treated as an issuer with a complex financial history in the sense of Regulation (EC) 211/2007.

The management of capsensixx makes use of the option to present the legal transfer of the business activities of PEH Wertpapier AG to capsensixx as a transaction under common control using the predecessor accounting. In addition, capsensixx use the option of presenting the prior year comparative information required by IFRS as the legal structure of capsensixx had already existed in the past.

IFRS contains no specific provisions for the preparation of combined financial information. Therefor the preparation of the combined financial information IAS 8 "accounting policies, changes in accounting estimates and errors" ("IAS 8") and the method of predecessor accounting according to the rules for business combinations under common control (transaction under common control) were applied. In general, the interim financial statements were prepared under the same accounting principles and valuation approaches which were applied for the creation of the PEH Wertpapier AG consolidated financial statements. All current as well as all non-current assets and all current and non-current liabilities have been taken over into the group accounting at their carrying amounts as of 28 March 2018.

Adjustments to this procedure have been made with respect to the transactions with Group companies of PEH Wertpapier AG. Such transactions were classified as transactions with related parties in accordance with IAS 24.

Further adjustments have been made to present the capsensixx equity. We have restated the equity presented in the CFS as of 31 December 2017 and the equity components that resulted from assumptions as set out in section B to the notes of the CFS. The equity presented in the interim financial statements include the equity components as they were carried forward in consolidated financial statements of PEH Wertpapier AG.

In acquisition of Oaklet by PEH Wertpapier AG in 2007 and the subsequent business combination a goodwill was recorded in the Consolidated Financial Statements of PEH Wertpapier Group in the amount of TEUR 544. The goodwill is also recorded in these interim financial statements.

## Accounting and valuation methods

The interim financial statements of capsensixx group for the three months ended 30 June 2018 have been prepared in accordance with IAS 34 *Interim Financial Reporting and DRS 16*.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with **the Group's combined financial statements as at 31 December 2017** and our prospectus.

## Basis of preparation and changes to the Group's accounting policies

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of new standards effective as of 1 January 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following standards and revisions of standards of the IASB are applied in the fiscal year 2017 for the first time:

Standard	Topic	Amendment/Change	Application date in the EU	Impact
IFRS 9	Financial instruments: Classification and measurement	With initial recognition, financial assets are classified in the future in the categories of either "the fair value measurement" or "measurement at amortized cost".	Fiscal years beginning on or after 1 January 2018.	None
IFRS 15	Revenue from contracts with customers	Replacement of the rules of proceeds in IAS 11, IAS 18 and the relate interpretations. Guideline, when and to what extent revenue is to be captured.	Fiscal years beginning on or after 1 January 2018.	Principal importance

IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments require restatement of previous financial statements. As required by IAS 34, the nature and effect of these changes are disclosed below.

Other amendments and interpretations apply for the first time as of 1 January 2018, but do not have an impact on the interim financial statements of the Group.

The nature and the impact of individual changes are described below:

### *IFRS 9 Financial Instruments: Classification and measurements*

IFRS 9 Financial Instruments replaces IAS 39: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects contains provisions for the recognition, the valuation and de-recognition of financial instruments.

Compared to the predecessor standard IAS 39 *Financial instruments: recognition and measurement* the requirements of IFRS 9 on the scope and the recognition and de-recognition are mainly unchanged. However the rules of IFRS 9 compared to IAS 39 implement a new classification model for financial assets.

The subsequent measurement of financial assets is being linked to three categories with different valuations and different recognitions of changes in value. The categorization depends on both, the contractual cash flows of the instruments as well as the business model, at which the instrument is held. According to the characteristics of these conditions the valuation is at amortized costs, using the effective interest method, the fair value, whereby changes are recognized in other income, or the fair value where changes are recognized as income.

However, for financial liabilities, the regulations were adopted, mainly in IFRS 9. The only major innovation relates to the fair value option for financial liabilities. For these, fair value fluctuations due to changes in the own issuer risk are recognized in other income.

The new model for impairment in IFRS 9 refers to three levels, which will determine the amount of losses to be recognized and the appropriation of interest. Following this, the expected losses in the amount of the present value of expected 12-month loss are captured already at the time of access (level 1). If a significant increase in the risk of loss occurs, the risk allowance is to be increased up to the amount of the expected losses of the entire rest period (level 2). Following an objective reference to an impairment, the interest recognition on the basis of the net book value (book value less allowance) shall be (level 3).

The Group has applied IFRS 9 prospectively with an initial application date of 1 January 2018. The adoption of IFRS 9 on the financial assets and liabilities of the Group as of 31 March 2018 had the following impacts:

### **Classification and assessment:**

Under IFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortized cost, or fair value

through other comprehensive income (FVOCI). The classification is based on two criteria: **the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').**

The new classification and measurement of the Group's financial assets are, as follows:

Debt instruments at FVPL, with gains or losses recycled to profit or loss on derecognition. Financial assets in this category **are the Group's** quoted debt instruments that do not meet the SPPI criterion and are held within a business model both to collect cash flows and to sell. **Under IAS 39, the Group's quoted debt instruments were classified as available-for-sale (AFS) financial assets.** Upon transition the AFS reserve relating to quoted equity securities, which had been previously recognized under accumulated OCI, was reclassified to Retained earnings.

Financial assets at FVOCI comprise derivative instruments whose cash flow characteristics either fail the SPPI criterion or meet the SPPI criterion, **but a look through to the underlying investments is not possible.** Under IAS 39, the Group's quoted equity securities were classified as AFS financial assets.

All other financial assets and liabilities are accounted for, as actually under IAS 39.

#### **Impairment:**

The Group is expected to apply the simplified impairment model on the financial assets and liabilities, due to which all instruments regardless of their credit-quality a risk provision in the amount of expected losses is to be captured for the remaining term.

The new applied impairment model does not have a material impact on the financial positions, its profit or loss or on its other comprehensive income. capsensixx AG has applied IFRS 9 for the business year starting 1 Jan 2018. If due to the first-time adoption of IFRS 9 financial instruments have to be classified in different categories than before, the companies have to disclose those amounts. **An amount of T€ 78 is due to the first-time adoption of IFRS9; therefor an amount of T€ 37 effect non-controlling interests.** The remaining amount of T€ 40 was recorded directly in the companies equity.



## *IFRS 15 Proceeds from contracts with customers*

IFRS 15 prescribes when and to what extent proceeds are to be captured. The new standard provides a single, principle-based five-stage model that apply to all contracts with customers in contrast to the current regulations. Depending on the contract specifications, revenues are to be recognized at a given time or to be collect over a period of time. In addition to the revenue collection principles, IFRS 15 contains detailed implementation guidance on costs for the fulfilment and obtaining a contract and when such costs are activated. Furthermore, the standard includes new and more extensive provisions in relation to information to be included in the annual statements. In particular, there are qualitative as well as quantitative information on each of the following topics to make:

- its contracts with customers,
- significant discretionary decisions and amendments, which were made by applying the provisions of the revenue on these contracts,
- any assets, resulting from deferred costs for obtaining and the performance of a contract with a customer.

The Group adopted IFRS 15 using the modified retrospective method of adoption. The effect of adopting IFRS 15 is as follows: The Group is in the business of providing fully integrated infrastructure for the entire product life cycle of investments funds, which includes services with regard to the issuance and required authorizations or listings, its day-to-day administrative business until final redemption or liquidation as well as advisory services on financial engineering, starting with support with regard to the issuance, the phase of capital expenditure and redemption of such products. Furthermore the group provides directorship and administrative services to corporate clients.

### (a) Provision of services

The Group's **contracts with customers for administrative support of investment funds as well as for the administrative support of securitization products** generally include a performance obligation. The Group has concluded that revenue from provision of services should be recognized over time as the customer simultaneously receives and consumes the benefit provide by the performance of the Group. The adoption of IFRS 15 did not have a material impact on the timing of revenue recognition.

The Group mainly derives income from permanent agreements (administration services for Funds (management, accounting, reporting, domiciliation), calculation fees for securitizations, domiciliation for corporate clients) as well as fees for the set-up of securitizations. The income for these services mostly depend on a fixed percentage of the assets under management or there is a fixed fee, payable on a monthly or quarterly basis, after provision of services. The Group recognizes the income from these kind of services as are fully provided. The Group does not collect advance payments.

### (b) Variable consideration

In some contracts the Group has agreed additional variable fees for ongoing services. Those fees are paid additionally to the permanent remunerations. They depend on the absolute or the relative performance of the assets under management. Those performance fees are recognized as revenue if the conditions set out in the agreements are fulfilled **and the Group's claim on those fees arose**.

The Group records such fees as adjustments to the revenues agreed. It is not possible to estimate the likelihood the claims of such performance **fees based on the Group's past experience**.

## Initiated, but not yet mandatory-to-use standards and interpretations

In addition, there are new standards and amendments to standards and interpretations, which are applicable in the EU for financial years beginning after 1 January 2017. These were not applied in this report yet. Unless specified otherwise, capsensixx AG will apply these new standards to the stipulated date of application.

The applicable future IFRS-regulations and their expected, significant effects are listed below:

Standard	Topic	Amendment/change	Application date in the EU	Impact
IFRS 14	Regulatory deferrals	Separate disclosure of regulatory deferrals in the balance sheet and income statement, as well as additional disclosures in the notes.	Open	None
IFRS 10, IAS 28	Sale or transfer in kind of assets between an investor and an associated company or a joint-venture	Clarification of the extent of profits recognized on transactions with associated companies or joint-ventures.	Open	Principal importance
IFRS 16	Leases	Lapse of distinction between finance- and operating leases at the level of the lessee.	Fiscal years beginning on or after 1 January 2019.	Identification of all leases in the balance sheet
IAS 12	Tax uncertainties	Recognition of active, deferred taxes on unrealized losses.	Open	Principal importance
IFRIC 22	Foreign currency transactions and advance payments	Clarification on accounting of business transactions, which include a receipt or payment of consideration in foreign currency.	Open	Principal importance
IFRS / IAS	Annual improvements	cycle 2014-2016: Changes to (IFRS 1, IFRS 12 and IAS 28)	Open	Principal importance
IFRS 2	Classification, valuation of share-based compensation	The performance condition include accounting bar full of share-based compensation; Classification of share-based compensation; Accounting modifications of share-based payment transactions.	Open	Principal importance
IAS 40	Application of real estate / property held for investment	Determination / timing of transfers to or off a portfolio of real estate / property held for investments.	Open	None
IFRS 17	Insurance contracts	Provision of relevant information by the companies to provide a reliable representation of the insurance contracts.	Open	
IFRIC 23	Income tax treatment	Application on taxable profits (tax losses, tax base, unused tax losses, unused tax credits and tax rates), if there is uncertainty regarding the income tax treatment according to IAS 12.	Open	
IFRS 9	Financial instruments:	Change: - Valuation of financial assets with	Open	

Standard	Topic	Amendment/change	Application date in the EU	Impact
	Classification and measurement	equal termination rights - Modification of financial liabilities		
IAS 28	Shares in associated companies	Change: Compulsory application of IFRS 9 on accounting of certain forms of business	Open	

## New Accounting Pronouncements

The following accounting pronouncements which are relevant to the Group were not effective as of June 30, 2018 and therefore have not been applied in preparing these consolidated interim financial statements.

### IFRS 16 Leases

In January 2016, the IASB issued IFRS 16, "Leases", which introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. There will be only minor changes to the current accounting for lessors. The standard also requires entities to provide users of financial statements with more informative and relevant disclosures. IFRS 16 is effective for annual periods beginning on or after January 1, 2019.

The standard has been endorsed by the EU.

Based on the current agreements we expect the right of use assets and the liabilities out of leasing agreement to be approx. **T€ 240** by applying IFRS 16 on 1 Jan 2019. The total expenses out of leasing are **expected to be T€ 125, but the expense lines will change** from other operating expenses to depreciation and interest expenses.

## Information on Consolidation and Consolidation Methods

### Scope of consolidation

The business of capsensixx and the following direct and indirect subsidiaries were combined:

Company	Nominal capital	Share of the Nominal capital
Axxion S.A., Grevenmacher, Luxembourg	€ 1,500,000.00	50.0001%
navAXX S.A., Grevenmacher, Luxembourg („navAXX“)	€ 1,000,000.00	100.00%
Axxion Deutschland Investment AG, Frankfurt am Main („ADIT“)	€ 100,000.00	100.00%
Axxion Revolution Fund - ONE, Grevenmacher, Luxembourg („Revolution Fund“)		99.53%
Oaklet GmbH, Frankfurt am Main	€ 63,700.00	53.86%*
Oaklet S.A., Wasserbillig, Luxembourg („Oaklet S.A.“)	€ 125,000.00	100.00%
Coraix Verwaltungs- GmbH, Frankfurt am Main	€ 25,000	50.00%
Coraix GmbH & Co KGaA	€ 62,500	100.00%

\*The ownership interest rate of capsensixx AG in Oaklet GmbH is 53,86% net of own shares and 50,94% gross of own share held by Oaklet GmbH.

On 28 March 2018 the General Meeting of the Company resolved an increase of the Company's share capital from formerly EUR 100,000.00 by EUR 3,000,000.00 to EUR 3,100,000.00 by issuing 3,000,000 new shares with a notional value and issue price of EUR 1.00 per share, thus with a total issue price of EUR 3,000,000.00, to PEH Wertpapier AG against a contribution in kind of PEH Wertpapier AG's share in Oaklet GmbH with a nominal amount of EUR 32,450.00 (constituting a stake of approximately 50.94% in the registered share capital and the voting rights in Oaklet GmbH) (the **“Contributed Oaklet-Share”**) and PEH Wertpapier AG's 600,001 shares with a nominal value of EUR 1.25 per share in Axxion S.A. (constituting a stake of approximately 50.0001% of the share capital and voting rights in Axxion S.A.) (the **“Contributed Axxion- Shares”**). In order to effect the contribution in kind PEH Wertpapier AG and the Company entered into a notarized contribution and post-formation agreement (*Einbringungs- und Nachgrundungsvertrag*) dated 28 March 2018 regarding the transfer of the Contributed Oaklet-Share and the Contributed Axxion-Shares from PEH Wertpapier AG to the Company with commercial effect as of 1 January 2018 (the **“Contribution and Post-Formation Acquisition Agreement”**). The **Contributed Oaklet-Share** was assigned and transferred by PEH Wertpapier AG to the Company together with all ancillary rights, in particular the right to dividends that have not been distributed yet when the Contribution and Post-Formation Acquisition Agreement was concluded. The **Contributed Axxion-Shares** were assigned and transferred by PEH Wertpapier AG to the Company together with all ancillary rights, whereby the right to dividends was only assigned and transferred for those dividends for the time after 1 January 2018, 00:00 CET. As the Contribution and Post-Formation Acquisition Agreement was concluded in the first two years following the registration of the Company in the commercial register by the Company and its sole founder and shareholder, PEH Wertpapier AG, and as the Contribution and Post-Formation Acquisition Agreement stipulated that the Company shall acquire assets in return for a remuneration amounting to more than 10% of the registered share capital of the Company the rules of the German Stock Corporation Act regarding a so-called post-formation acquisition (*Nachgründung*) were followed in addition to the provisions of the German Stock Corporation Act (*Aktiengesetz*) regarding capital increases against contributions in kind. The capital increase against contribution in kind (*Sachkapitalerhöhung*) and the post-formation acquisition (*Nachgründung*) became legally effective upon its registration in the commercial register of the Company on 18 April 2018.

On May 9 May 2018 capsensixx acquired 100% of a shell company with a subscribed capital of € 25,000 and renamed the company to coraixx Verwaltungs- GmbH. Coraixx Verwaltungs- GmbH is the unlimited liable partner of coraixx GmbH & Co KGaA. Object of coraixx is the development, marketing, installation and administration of hard- and software, acquiring and holding shares in such companies as well as becoming unlimited liable partner in such companies.

coraixx GmbH & Co. KGaA has been founded on 28 May 2018. It is a German corporation limited by shares (*Kommanditgesellschaft auf Aktien*), with registered office in Frankfurt am Main, and has been filed for registration in the commercial register at the local court of Frankfurt am Main. The share capital was EUR 50,000 with 50,000 shares at EUR 1 per share. On 01.08.2018 a capital increase of 12,500 shares was processed.

Both the shares of Axxion and Oaklet were consolidated in the interim financial statements of capsensixx Group as at 28 March 2018. The shares have been transferred under common control of PEH Wertpapier AG. The management of capsensixx makes use of the option to present the legal transfer of the business activities of PEH Wertpapier AG to capsensixx as a transaction under common control using the

predecessor accounting as follows:

- the assets and liabilities of the acquiree are recorded at their carrying amount not fair value,
- intangible assets and contingent liabilities are recognised only to the extent that they were recognised by the acquiree in accordance with applicable IFRS (in particular IAS 38),
- no goodwill is recorded.
- any non-controlling interest is measured as a proportionate share of the carrying amounts of the related assets and liabilities.

## Transition of the shares of Axxion S.A.

Axxion S.A. and its subsidiaries provide fully integrated infrastructure for the entire product life cycle of investment funds: starting with issuance and required authorizations or listings, its day-to-day administrative business until final redemption or liquidation.

The carrying amounts of the identifiable assets and liabilities of Axxion S.A. and its subsidiaries as of the date of first time consolidation were:

in T€	28 March 2018
<b>Assets</b>	
Non-current assets	2,650
Current assets	<u>16,897</u>
	<b>19,547</b>
<b>Liabilities</b>	
Non-current liabilities	63
Current liabilities	<u>9,287</u>
	<b>9,350</b>
<b>Total identifiable net assets at carrying amounts</b>	<b>10,196</b>

## Transitions of the shares of Oaklet GmbH

Oaklet GmbH, together with its Luxembourg subsidiary Oaklet S.A., provides advisory services on financial engineering helping initiators to fit with their individual, economic, regulatory and tax requirements. Oaklet arranges and coordinates the process during the issuance, the phase of capital expenditure and the redemption phase. Additionally Oaklet S.A., as a regulated corporate service provider, provides directorship and administrative services to its corporate clients.

The carrying amounts of the identifiable assets and liabilities of Oaklet GmbH (and its subsidiaries) as of the date of first time consolidation were:

in T€	28 March 2018
<b>Assets</b>	
Non-current assets	627
Current assets	<u>2,680</u>
	<b>3,307</b>
<b>Liabilities</b>	
Non-current liabilities	100
Current liabilities	<u>608</u>
	<b>708</b>
<b>Total identifiable net assets at carrying amounts</b>	<b>2,599</b>

## Equity

On 28 March 2018 the annual general meeting of capsensixx AG resolved to increase the capital stock of € 100,000 by 3,000,000 to 3,100,000 by way of contribution in kind by transferring the shares of both Axxion S.A. and Oaklet GmbH to capsensixx AG.

The capital contribution and post-formation agreement, determining also the immediate change of control, has been signed on 28 March 2018.

The capital contribution has to be filed in the register of Amtsgericht Frankfurt am Main to become formally effective and in order to be recognized in the balance sheet line item "subscribed capital". The capital increase was registered in the trade register on 18 April 2018. The increase of T€ 3,000 was recorded in the share capital.

By issuance of new shares the subscribed capital was increase by additional T€ 330. The agio collected for the issuance of the new shares was recorded in the capital reserve. Expenses linked to the issuance of new shares and the admission to trading on Frankfurt Stock exchange (T€821) were deducted from the capital reserve.

The other equity components, shown in the interim financial report as of 31 March 2018, were composed of the capital contribution not registered before the balance sheet date (T€ 3,000) the consolidations items (T€ -1,061) and the expenses relating to the issuance of new shares and the admission to trading on the Frankfurt Stock Exchange (T€ -150).

As the capital contribution is now registered in the trade register, we have reclassified the capital contribution (T€ 3,000) to the subscribed capital, the expenses (T€ -150) to the capital reserve and the consolidation items (T€ -1,061) to retained earnings.

The difference between the proportional net equity of the companies transferred to capsensixx AG and the amount of capital contribution is accounted for in the equity position capital contribution.

in T€	28 March 2018 Equity	28 March 2018 Equity attributable to capsensixx shareholders
Subscribed Capital of capsensixx AG		100
Retained earnings		-2
Net profit		-16
<b>Total identifiable net assets of Axxion S.A.</b>	10,196	
Thereof attributable to non-controlling interests	5,098	
Thereof attributable to capsensixx AG	5,098	5,098
<b>Total identifiable net assets of Oaklet GmbH</b>	3,143	
Thereof attributable to non-controlling interests	1,200	
Thereof attributable to capsensixx AG	1,943	<u>1,943</u>
Expenses relating to the increase of the Company's share capital		-150
Equity excluding non-controlling interests		<b>6,973</b>

## Business Segment and Related Information

For management purposes, the Group is organized into business units based on its products and services and has two reportable segments, as follows

- **Segment Fund Administration & Accounting** represents the areas of fund accounting, fund administration & accounting and IT services and includes the Axxion S.A., together with navAXX S.A. and the Axxion InvAG.
- **Segment Capital Markets & Corporate Services** include the companies Oaklet GmbH and the Oaklet S.A. that provide advisory services on financial engineering

Both segments provide services in the financial sector. Customers are mainly located in Germany. Our sales to two customers exceeded 10% of our total sales each: one customer had a revenue of T€ 15,863, the other of T€ 6,263 (Jan – June 2018). In 2017 we had two customers with a revenue of T€4,355 and T€ 4,317. Both customers are linked to the segment Fund Administration and Accounting.

Management monitors the operating results of the segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss statements according to the IFRS reporting. Transactions within the Group are based on prices as contracted with non-related parties.

Segment assets and liabilities include all assets and liabilities attributable directly to the segments and which can have a positive or **negative impact on the segment's result**. The assets include mainly tangible and intangible assets, trade receivables and trade payables as well as major provisions.

In the segment reporting combining adjustments are reported separately.

## Segment report 30 June 2018

In T€	Fund Admini- stration & Accounting	Capital Market & Corporate Services	Combining adjustments/ Others	Total
<b>Segment income</b>				
Revenues	51,211	1,559	0	52,770
Other operating income	260	130	4	394
<b>Segment expenses</b>				
Cost of materials	-42,230	0	0	-42,230
Personnel expenses	-2,716	-764	-20	-3,500
Depreciation	-504	-12	0	-516
Other operating expenses	-2,640	-361	-72	-3,073
Other interest and similar income	-1	11	2	12
Interest and similar expenses	-2	0	0	-2
Finance income	0	0	0	0
<b>Segment result (Profit before tax)</b>	<b>3,380</b>	<b>563</b>	<b>-88</b>	<b>3,855</b>
thereof Income taxes				-1,155
of which attributable to non- controlling interests				-1,380
<b>Net profit attributable to shareholders of capsensixx AG</b>				<b>1,320</b>
Segment assets	18,955	4,102	11,156	34,213
Income tax claims			175	175
<b>Total assets</b>				<b>34,388</b>
Segment liabilities	10,824	342	6,672	17,839
Income tax liabilities			768	768
<b>Total liabilities</b>				<b>18,607</b>



## Segment report 30 June 2017

In T€	Fund Administration & Accounting	Capital Market & Corporate Services	Combining adjustments/ Others	Total
<b>Segment income</b>				
Revenues	34,174	1,279	0	35,453
other operating income	348	49	0	397
<b>Segment expenses</b>				
Cost of materials	-26,560	-26	0	-26,586
Personnel expenses	-2,595	-592	0	-3,187
Depreciation	-466	-9	0	-475
Other operating expenses	-2,309	-397	0	-2,706
Other interest and similar income	0	10	0	10
Interest and similar expenses	-4	0	0	-4
Finance income	0	0	0	0
<b>Segment result (Profit before tax)</b>	<b>2,588</b>	<b>314</b>	<b>0</b>	<b>2,902</b>
thereof Income taxes				-980
Net profit attributable to non-controlling interests				-953
<b>Net profit attributable to shareholders of capsensixx AG</b>				<b>969</b>
Segment assets	17,453	3,163	100	20,716
Income tax claims			344	344
<b>Total assets</b>				<b>21,060</b>
Segment liabilities	10,407	350	0	10,757
Income tax liabilities			661	661
<b>Total liabilities</b>				<b>11,418</b>

## Other Disclosures

### Earnings per Share

According to IAS 33 earnings per share have to be calculated by dividing the companies net profit by the weighted average number of outstanding share. Newly issued shares of acquired own shares have to be taken into account on a pro rata basis.

**The companies net profit for the first six months 2018 is T€ 1,320 (2017: 969).**

Until 18 April 2018 the number of outstanding shares was 100,000. During 19 April 2018 an 21 June 2018 the number of outstanding shares was 3,100,000. In the time 22 June until 30 June the number was 3,430,000. The weighted average amount of outstanding shares for the first six months 2018 is 1,326,301.

The earnings per share (diluted / undiluted) for Jan – June 2018 is € 1,00 / share.

### Contingent liabilities, contingencies as well as transactions not included in the balance sheet

There are no major changes in the companies other financial obligations out of rent and leasing agreements compared to December 2017.

The following operational functions in 2018 are outsourced:

- accounting and consolidation, and preparation of financial statements with btu beraterpartner GmbH Steuerberatungsgesellschaft.

Special risks or benefits for the financial situation do not result from the outsourcing. The outsourcings are made to customary conditions.

### Subsequent Events

On August the 1<sup>st</sup>, 2018, coraixx Verwaltungs- GmbH, acting as the unlimited liable partner of coraixx GmbH & Co KGaA increased the share capital of coraixx GmbH & Co KGaA by issuing 12,500 new bearer shares (with a share capital of EUR 1.00 each) to EUR 62,500.

The new shares were subscribed against cash contribution (Issue Price @ EUR 190.00 per share) for a total Issue Price of EUR 2,375,000.00 by capsensixx AG (the sole limited partner) as of 01 August 2018.

## Employees

The quality and expertise of our employees is key to providing our clients with high-quality value-added services and building long-term relationships with our clients. The majority of our employees have higher education or university degrees.

The average headcount of employees has developed as follows:

	30 June 2018	31 Dec. 2017
Average number of employees	83.75	79.50
- thereof Segment Fund Administration & Accounting	67.75	64.75
- thereof Segment Capital Market & Corporate Services	16.00	14.75

Functions Segment Fund Administration & Accounting	30 June 2018	31 Dec. 2017
Front Office	11.00	9.25
Back Office	56.75	55.50
Total	67.75	64.75

All employees in the segment Fund Administration & Accounting are working in Luxembourg.

Functions Segment Capital Market & Corporate Services	30 June 2018	31 Dec. 2017
Front Office	5.00	5.25
Back Office	11.00	9.50
Total	16.00	14.75

In the segment Capital Market & Corporate Services four employees are working in Luxembourg and 12 employees in Germany.

capsensixx AG has no employees as of the 30 June 2018 and the date of this Interim Report.

## Forward looking Statements

This interim report contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of this interim report. This applies, in particular, to statements in this interim report containing information on our future earnings capacity, plans and expectations regarding our business growth and profitability, and the **general economic conditions to which we are exposed**. Expressions such as “plan”, “predict”, “project”, “forecast”, “target”, “expect”, “foresee”, “will”, “intend”, “estimate”, “assume”, “anticipate”, “goal”, “potential” or “aim” may be an indication of forward-looking statements.

The forward-looking statements in this interim report are subject to risks and uncertainties, as they relate to future events, and are based on estimates and assessments made to the best of the Issuer's present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or nonoccurrence of which could cause the Issuer's actual results, including the financial condition and profitability of our Group, to differ materially from or fail to meet the expectations expressed or implied in the forward looking statements. These expressions can be found in several sections in this interim report, and wherever information is contained in this interim report regarding our intentions, beliefs, or current expectations relating to its future financial condition and results of operations, plans, liquidity, business outlook, growth, strategy and profitability, investments and capital expenditure requirements, expectations as to future growth in demand for our products and services as well as the economic and regulatory environment to which we are subject.

In light of these uncertainties and assumptions, it is also possible that the future events mentioned in this interim report will not occur. In addition, the forward-looking estimates and forecasts reproduced in this interim report from third-party reports could prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements due to, among other reasons:


- changes in general economic conditions in the markets in which we operate, including changes in the unemployment rate, the level of consumer prices, wage levels etc.;
- the further development in the markets in which we are operating our business;
- our ability to manage growth;
- changes affecting interest rate levels;
- changes in the competitive environment and in the competition level;
- changes affecting currency exchange rates;
- inability to attract and retain qualified personnel;
- changes to the regulatory environment that may affect our and our client's business;
- changes in taxation.

Moreover, it should be noted that all forward looking statements only speak as of the date of this interim report and that neither the Issuer nor the Underwriter assumes any obligation, except as required by law, to update any forward-looking statement or to conform any such statement to actual events or developments.

## Responsibility Statement of the Management Board

To the best of our knowledge in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of capsensixx AG, and the management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected developments of capsensixx.

Frankfurt, 31 August 2018



Sven Ulbrich



Fabian Föhre



## Imprint

### **capsensixx AG**

Bettinastrasse 57-59

60325 Frankfurt

Tel: +49 (69) 7680 585 0

Trade Register: Frankfurt am Main

HRB nbr 111.187

[info@capsensixx.de](mailto:info@capsensixx.de)

Publication

Published on 31 August 2018

### Cautionary statement regarding forward-looking statements

This report contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of capsensixx.

Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. By their very nature, forward-looking statements involve risks and uncertainties.

A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets, the development of asset prices and market volatility, the implementation of our strategic initiatives, the reliability of our risk management policies, procedures and methods, and other risks as described in this report.