

3-Month Report 2019

(01 January to 31 March 2019)

capsensixx AG

Frankfurt am Main

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1 Quarterly Management Statement as of 31 March 2019

1.1 Key Group figures (IFRS)

	01.01.-31.03.			
(in Mill. Euro / before non-controlling interests)	2019	2018	Change	%
Revenues, total	25.03	25.43	-0.4	-1.5%
Revenue shares in favor of third parties (Management- and Performance Fees)*	19.68	20.29	-0.61	-3%
Adjusted revenues excluding third parties fees	5.35	5.13	+ 0.22	+4%
- EBITDA (ex coraixx)	1.10	1.02	+0.08	+7.9%
- EBITDA	0.52	1.02	-0.5	-49%
- Net profit (ex coraixx)	0.91	1.25	-0.34	-28%
- Net profit	0.51	1.25	-0.74	-59%

* Revenues from management- and performance fees are passed on to external asset managers in full by capsensixx, are recognized in cost of materials and therefore do not affect profit or loss.

Assets under administration (AuA) in the area of *Fund management, administration and accounting* were reported EUR 8.8 billion and above the year-end value (December 31, 2018) of EUR 8.5 billion (+ 3.5%). At the same time, the number of funds managed was increased by 2% to 148 funds.

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1.2 Course of business

1.2.1 capsensixx is expanding its businesses

The *Fund Management, Administration & Accounting* segment result declined in the first quarter on the basis of the difficult market environment for many fund managers and the significantly lower asset under administration at the beginning of the quarter, accounting around 13% lower than in the same quarter of the previous year. At the same time, the number of funds under management increased, and as of the reporting date (March 31, 2019), asset under administration was reported at a gain of approximately EUR 300 million (+ 3.5%) compared to years-end 2018. Operational growth in this segment is in line with expectations.

The *Capital Markets & Corporate Services* segment posted a record quarter in the first quarter, with earnings up over 31% year-on-year. The expansion of business activities in the "Third Party" business as well as the recovery of transactions initially scheduled for the fourth quarter of 2018 but postponed due to the Luxembourg implementation of the Anti-Tax Avoidance Directive (ATAD), underline the growth prospects of the business.

In the *Digitization & IT services* sector, capsensixx continues its growth strategy via coraixx. The employment of the team, the move into the development center in Dresden and the investment in infrastructure have been processed according to its plannings since the beginning of the year. A series of projects to implement the software-as-a-service solution "aiccounting" in the area of document processing, in particular in the real estate sector, and initial requests for additional features in the context of major projects signal a high level of interest on the customer side and thus high growth dynamics in this segment. However, the high level of investment in this segment contributed to the overall result in the consolidated result with a loss of about EUR -0.59 million.

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1.2.2 Net-revenues improvement

Gross revenues declined slightly by -1.55% due to market conditions. The revenues from management and performance fees are passed on in full by capsensixx to external asset managers and are therefore not recognized in profit or loss. However, the net revenues in the first three months of the 2019 financial year increased by 4.08% compared to the same period of the previous year to EUR 5.35 million.

1.2.3 Other operating income

Other operating income mainly includes IT revenues. Other operating income increased to about 0.29 million euros, an increase of about 10.4%.

1.2.4 Personell and other operating expenses

Personnel expenses increased by € 0.4 million to € 2.13 million compared to the first three months of 2018 (€ 1.73 million), mainly due to the recruitment of qualified employees.

At the same time, the other operating expenses rose by EUR 0.31 million, from EUR 1.62 million to EUR 1.93 million.

1.2.5 Operating result (cum and ex coraixx / before non-controlling interests)

At EUR 0.52 million, the EBITDA (including investments at coraixx) is about 49% lower than in the same period of the previous year's quarter (EUR 1.02 million).

For comparison purposes, we also report EBITDA without the investments made by coraixx. In the first three months of 2019, this EBITDA increased by 7.96% to EUR 1.10 million compared to the same period in 2018 (EUR 1.02 million).

1.2.6 Consolidated profit before and after tax (before non-controlling interests)

Consolidated profit before taxes for the first three months of the financial year 2019 was € 0.8 million. Compared to the same period of the previous year (EUR 1.79 million), this represents a decrease of EUR 0.99 million or 55%.

Group profit after taxes for the first three months of the financial year 2019 was € 0.51 million. Compared to the same period of the previous year (EUR 1.25 million), this represents a decrease of EUR 0.74 million or 59%.

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1.3 IFRS consolidated income statement for the period from 01 January to 31 March 2019

	(unaudited)	(unaudited)
	31.03.2019	31.03.2018
	EURO	EURO
1. Revenues	25,033,763.93	25,428,239.34
2. Other operating income	286,428.03	259,515.83
3. Revenue shares in favor of third parties	-19,681,971.84	-20,294,881.80
4. Personell expenses		
a) Wages and Salaries	-1,710,539.13	-1,367,483.86
b) Social security, pension and other benefits	-419,007.62	-361,551.36
5. Depreciation and amortization	-802,964.39	-258,012.34
6. Other operating expenses	-1,930,811.64	-1,615,593.93
7. Income of subsidiaries	0.00	0.00
Income of associated companies	154.97	
8. Finance income	4,490.00	0.00
9. Other interest and similar income	45,219.09	6,186.12
10. Finance costs	-22,775.96	-1,050.68
11. Profit before tax	801,985.44	1,795,367.32
12. Taxation	-288,150.61	-540,731.52
13. Other taxes	0.00	0.00
14. Net Profit	513,834.83	1,254,635.80
Net profit attributable to non-controlling interests	588,226.21	631,372.70
Net profit attributable to shareholders of capsensixx AG	-74,391.38	623,263.10

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1.4 IFRS consolidated balance sheet as of 31 March 2019

in Mill. EUR	31.03.2019	31.12.2018 (kombinierter Abschluss)
Cash and cash equivalent	11.3	11.2
Equity	17.9	17.7
Total assets	31.5	57.1

1.5 Report on post-balance sheet date events

There were no events with a significant impact on the net assets, financial position and results of operations of capsensixx Group after the balance sheet date of 31 March 2019.

1.6 Outlook

The first three months of the financial year 2019 of the capsensixx Group underline the Group's expansive strategy. Unless the occurrence of major changes in the overall economic situation in Germany and Europe, the Executive Board expects overall profitable revenue and earnings growth in the segments *Fund Management, Administration & Accounting* and *Capital Markets & Corporate Services* to continue in the 2019 and a accelerating growth momentum in the field of *Digitization & IT services*.

1.7 Review and forward-looking statements

This interim management statement was not audited in accordance with Section 317 of the German Commercial Code (HGB) nor was it reviewed by an auditor. In addition, this interim management statement contains forward-looking statements based on management's current views with respect to future developments.

Such statements are subject to uncertainties and risks over which capsensixx AG has no control. If such uncertainties or risks materialize or if the assumptions on which these forward-looking statements are based prove to be inaccurate, the actual results may significantly deviate from those explicitly stated or implicitly contained within these statements. It is not the intention of capsensixx AG, nor does capsensixx AG accept any particular obligation to update any forward-looking statements to adapt them to events or development that take place after the date of this interim management statement.

Frankfurt am Main, May, 12, 2019

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Sven Ulbrich

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Fabian Föhre

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2 Company profile

capsensixx manages, structures and executes financial products in various asset classes and product workflows in the financial sector for its customers (Financial Administration as a Service). The business model, which focuses on funds and alternative assets, is characterized by a high proportion of recurring income and profitable growth. The subsidiaries Axxion (capital management) and Oaklet (specialist for securitization and other financial services) have a very strong position on the German-speaking market in these two areas. The technology start-up coraixx is involved in digitizing financial receipts using artificial intelligence, thus expanding capsensixx' value chain and developing new areas of business and customer groups with strong growth potential.

You can find more information at www.capsensixx.de

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