capsensixx AG

Frankfurt am Main

Annual Report 2021

Content

Report of the Supervisory Board

The 2021 financial year was dominated by the developments of the corona pandemic and the challenges posed by the framework conditions of the financial services industry.

In the course of the 2021 financial year, the Supervisory Board carefully monitored the management of capsensixx AG and performed the duties incumbent upon it by law and the Articles of Association. We have been and continue to be in continuous dialogue with the company's Executive Board. We were informed by the Executive Board at the Supervisory Board meetings as well as by means of additional written and oral reports on all relevant questions of corporate planning and strategic development, on earnings, assets, and financial position as well as on current business policy, the risk management system, and the risk situation. This was done regularly, promptly, and comprehensively. The Supervisory Board was directly and promptly involved in all decisions that were of fundamental importance to the company. During the reporting period, a total of eleven meetings of the Supervisory Board were held at regular intervals, in which all Supervisory Board members participated.

The Supervisory Board discussed the company's business situation, strategic orientation as well as development opportunities and business risks in detail with the Executive Board. The Supervisory Board has approved the measures that require the approval of the Supervisory Board in accordance with the Articles of Association and/or the law. Since the Supervisory Board consists of only three persons, no committees were formed. In the course of the 2021 financial year, the Supervisory Board dealt with the following issues, among others:

Decisions during the year

The organizational structure of the company was the subject of several meetings. The Executive Board and Supervisory Board discussed how revenues could be increased and efficiency increased. The Supervisory Board unanimously approved the Executive Board's reports on the business transactions incurred.

Proceedings of the Annual General Meeting 2021

At the Company's Annual General Meeting in Frankfurt in June 2021, the actions of the Executive Board and Supervisory Board for the 2020 financial year were ratified and BDO AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, was elected as auditor of the financial statements and consolidated financial statements for the 2021 financial year. All resolutions were approved by more than 99% of the valid votes cast.

Financial Statements and Management Report

The annual financial statements and management report of capsensixx AG prepared in accordance with German accounting standards and the consolidated financial statements and group management report prepared in accordance with International Financial Reporting Standards (IFRS) for the period from 1 January 2021 to 31 December 2021 were audited by BDO AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, and given an unqualified audit opinion. The corresponding audit reports of the auditor were available to the Supervisory Board at its balance sheet meeting. The auditor attended the meeting of the Supervisory Board and reported on the main results of his audit, including his independence. The Supervisory Board took note of the auditor's report with approval.

The Supervisory Board

- did not raise any objections at the end of its own audit and endorsed the external auditor's findings.
- approved the annual financial statements and the consolidated financial statements at its meeting on April 25, 2022, so that the annual financial statements are adopted.
- agrees with the proposal of the Management Board to carry forward the net loss for the year of capsensixx AG of 2,574,060.26 to new account.

Frankfurt, 25 April 2022

Rudolf Locker

capsensixx AG

Frankfurt am Main

Consolidated Financial Statements as of December 31, 2021 and Combined Management Report for the Fiscal Year 2021

Combined Management Report for the Fiscal Year 2021

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1. Fundamentals of the Group

In the 2021 financial year, the capsensixx AG Group (in short "cpx Group") prepares a combined management report for the Group and for the parent company, capsensixx AG (short "cpx"). As the parent company, cpx bundles essential entrepreneurial tasks of the Group the opportunities and risks of cpx and the Group are largely identical.

1.1 Business model

cpx has its registered office in Frankfurt am Main and is a holding company with direct and indirect investments in Germany and abroad. During the 2021 financial year, it helds shares in companies which provide financial services (Axxion S.A. / Oaklet GmbH).

1.2 Business segments

The cpx Group focuses on various products and services within the financial industry and offers "Financial Administration as a Service".

As of December 31, 2021, the cpx Group is divided into two segments with the following main areas of activity:

- Funds Management, Administration & Accounting (hereinafter: Fund Management): The segment comprises fund administration and fund accounting
- Capital Markets & Corporate Services (hereinafter: Securitisation): Advisory services in the field of financial engineering, securitisation and provision of director and administrative services to corporate clients in Luxembourg as a regulated corporate service provider

This segmentation is based on the operating business segments. cpx is the group's parent company and, as a holding company, does not belong to any segment.

Further details are explained in the Economic Report, as well as in the Forecast, Risk and Opportunity Report.

1.3 Management system

The management report and financial statements of the cpx and cpx Group are prepared in accordance with the applicable accounting standards.

As a holding company, cpx mainly generates income in connection with the holding of shares in affiliated companies, so that investment income is a key performance indicator for cpx.

In addition to the disclosures and key figures required by the applicable accounting standards, the cpx Group publishes alternative performance measures (APM) that are not subject to these regulations and for which there is no generally accepted reporting standard. The cpx Group determines the APM with the aim of enabling the comparability of the key performance indicators over time or in an industry comparison. This is done through certain adjustments to the balance sheet or profit and loss account items prepared in accordance with the applicable accounting standards. The adjustments may result from different calculation and measurement methods, inconsistent business activities and special effects that affect the significance of these items. The alternative performance indicators determined in this way apply to all periods and are used both internally to manage the business and externally to assess the performance of the company by analysts, investors and rating agencies.

The cpx Group determines the following APM:

- EBITDA
- Assets under Administration

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) represents earnings before interest, taxes, depreciation, amortization, impairments, and reversals of impairments. In addition to the financial result, this key performance indicator also neutralizes distorting effects on operating activities resulting from different depreciation methods and valuation leeway. EBITDA is calculated on the basis of the result from ordinary activities (before income taxes) plus depreciation and amortization recognized in profit or loss recognized in profit or loss of impairment of intangible assets and property, plant and equipment and securities, as well as the addition of interest expenses and the deduction of interest income.

<u>Reconciliation EBITDA</u>

Profit from ordinary activities (before income taxes)

+ Depreciation of securities

+ Depreciation of intangible assets and property, plant and equipment

- Reversals of impairment losses intangible assets and property, plant and equipment

+ Depreciation / impairment of shareholdings, affiliated companies - interest income

+ Interest expense

= EBITDA

The **Assets under Administration** (AuA) are based on data relating to the reporting date on the total administered volume of the Funds Management, Administration & Accounting division. Based on the development of the total volume, forecasts for current revenues and the development of the business unit can be derived. This development includes both market-related changes (price gains and losses) and cash inflows or outflows.

Non-financial performance indicators did not play a role in the 2021 financial year.

2. Economic Report

2.1 General economic and sectoral framework conditions

Development of the world economy in 2021

The development of the global economy in 2021 continued to be decisively shaped by the effects of the corona crisis. Due to the global COVID-19 pandemic and the countermeasures taken, the uncertainties of the previous year on the equity markets remained, but a noticeable recovery in economic activity emerged in the financial year. As a result, global gross domestic product has risen by around 5.9% in the current year compared to the previous year. In a direct comparison of the major economic blocs China, the USA and the eurozone, the first two recorded the highest increases.

While a rapid increase in economic activity was observed at the beginning of the financial year, it slowed down worldwide in the second half of the year. This is due to the interplay of various factors, including above all the ongoing supply bottlenecks.

At the beginning of the summer, the spread of the delta variant of the coronavirus was observed, which led to a renewed increase in the number of infections. In China, extensive quarantine measures were taken in the event of local outbreaks, which, among other things, further affected global maritime trade. These disruptions in logistics are exacerbating the global bottlenecks that are already being recorded for a large number of industrial products due to the simultaneous global economic recovery in the wake of easing of corona measures. In particular, the lack of intermediate products is crippling the global recovery of industrial activity. The scarcity of intermediate goods results from a combination of rapidly increasing demand, in the meantime significantly increased raw material prices (e.B. for timber) and production interruptions (e.B. due to the lack of availability of semiconductor products).

Development of the finance industry in 2021

The framework conditions in the financial services industry have become even more difficult compared to the previous year. In particular, the ongoing expansion of regulatory measures increasingly requires capacities and thus means a significantly higher effort. In addition, disruptive technologies are creating ongoing margin and competitive pressure in the industry.

2.2 Business development

Against the background of an expected slight economic recovery and business development under the influence of the coronavirus pandemic, we expected cpx to generate a positive result in the previous year. This was achieved through higher income from investments in affiliated companies with lower other operating expenses, so that net income rose by EUR 265 thousand to EUR 1,721 thousand (previous year: EUR 1,456 thousand).

For the cpx Group, we had assumed in the previous year, against the background of the global uncertain economic situation and the business development under the influence of the coronavirus pandemic, that a slight increase of between 2-5% can be expected for APM (EBITDA, AuA). With a significant increase of 34.3% in the 2021 financial year, aua performed better than the expected increase in AuA of 2-5%. The increase in EBITDA of 13.7% from EUR 8,125 thousand to EUR 9,237 thousand was also higher than the expected increase of 2-5%.

2.3 Assets, financial and earnings position of the Group

2.3.1 Earnings position of the Group

The following explanations are to be seen in connection with the conclusion of cpx.

Cpx's income statement provides a complete overview for 2021.

Assets under administration increased from EUR 9.01 billion (as of December 31, 2020) to EUR 12.1 billion (as of December 31, 2021) in fiscal year 2021, representing a significant increase of 34.3%. EBITDA is reported at EUR 9,237 thousand (previous year: EUR 8,125 thousand).

At EUR 179,945 thousand, sales revenues grew strongly compared to the previous year (previous year: EUR 110,309 thousand). At the same time, commission expenses increased to EUR 153,415 thousand (previous year: EUR 86,139 thousand). As a result, net sales increased by

9.8% to EUR 26,531 thousand (previous year: EUR 24,170 thousand). Personnel expenses will be reported at EUR 10,702 thousand in 2021 (previous year: EUR 10,215 thousand). Other operating income decreased to EUR 134 thousand (previous year: EUR 759 thousand). Other administrative expenses increased to EUR 6,726 thousand (previous year: EUR 6,589 thousand). Depreciation and amortization amounted to EUR 1,467 thousand in the financial year, whereas EUR 1,952 thousand was reported in the previous year. Earnings before taxes in 2021 are reported at EUR 8,707 thousand (previous year: EUR 6,499 thousand). Net income attributable to shareholders is reported at EUR 3,004 thousand (previous year: EUR 2,254 thousand).

Segment reporting

The identification of reportable operating segments is based on the "Management Approach". Thereafter, external segment reporting is carried out on the basis of the Group's internal organizational and management structure as well as internal financial reporting to the top management body ("Chief Operating Decision Maker"). In the Group, the Executive Board of cpx is responsible for evaluating and managing the business success of the segments and is regarded as the supreme management body within the meaning of IFRS 8.

This breakdown depends on the operating business segments.

The **Fund Management segment** includes Axxion S.A. (including its Luxembourg subsidiary navAXX S.A. and its German subsidiary Axxion Deutschland Investmentaktiengesellschaft mit Teilgesellschaftsvermögen). The segment generated net commission income of EUR 21,436 thousand in 2021 (previous year: EUR 19,536 thousand). As a result of the implementation of the increased regulatory and legal requirements, personnel costs (2021: EUR 8,216 thousand in 2020; EUR 7,439 thousand in 2020) increased compared to the previous year. The segment result for 2021 is reported at EUR 6,531 thousand (previous year: EUR 6,688 thousand). EBITDA in the segment rose from EUR 6,088 thousand to EUR 9,340 thousand.

Assets under administration increased from EUR 9.01 billion (as of December 31, 2020) to EUR 12.1 billion (as of December 31, 2021) in fiscal year 2021, representing a significant increase of 34.3%.

The **Securitisation segment** includes Oaklet GmbH together with its Luxembourg subsidiary Oaklet S.A. The segment generated net commission income of EUR 5,110 thousand in 2021 (previous year: EUR 5,455 thousand). Personnel costs (2021: EUR 2,485 thousand; Previous year: EUR 2,776 thousand) fell slightly compared to the previous year. The segment result for

2021 is reported at EUR 2,491 thousand (previous year: EUR 2,633 thousand). EBITDA in the segment thus decreased from EUR 2,453 thousand to EUR 1,779 thousand.

2.3.2 Financial and assets position of the Group

All material assets and liabilities are denominated in euros. Hedging of foreign currencies on assets or liabilities is not used.

Equity increased from EUR 19,456 thousand to EUR 20,613 thousand. The equity ratio is 20.6% (previous year: 38.7%). The share capital is unchanged compared to the previous year – it amounts to EUR 3,430,000.

Total assets increased to EUR 100,297 thousand (previous year: EUR 50,251 thousand). Non-current assets are reported at EUR 9,648 thousand (previous year: EUR 5,771 thousand). Current assets increased to EUR 90,649 thousand (previous year: EUR 44,480 thousand). This increase is mainly due to the increase in trade receivables of EUR 72,087 thousand (previous year: EUR 28,453 thousand).

On the liabilities side, trade payables are reported at EUR 70,582 thousand (previous year: EUR 26,309 thousand).

As of December 31, 2021, the cpx Group reported bank balances of EUR 13,610 thousand (previous year: EUR 8,773 thousand) and financial instruments and other financial assets in the amount of EUR 3,231 thousand (previous year: EUR 5,600 thousand). It thus has sufficient liquidity buffers and was able to meet its financial obligations at any time.

2.4 Assets, financial and earnings position of capsensixx AG

2.4.1 Earnings position of the company

As a holding company, cpx mainly generates income in connection with holding shares in affiliated companies. Income from investments in affiliated companies increased by EUR 151 thousand from EUR 1,849 thousand to EUR 2,000 thousand compared to the previous year. Net income for the year increased by EUR 265 thousand to EUR 1,721 thousand (previous year: EUR 1,456 thousand).

Personnel expenses amounted to EUR 0 thousand (previous year: EUR 0 thousand), as cpx did not employ any employees in 2021. Other operating expenses are reported at EUR 410 thousand (previous year: EUR 507 thousand). Current income from investments in the amount of EUR 2,000 thousand is attributable to investment income from Luxembourg.

2.4.2 Assets and financial position of the company

All significant receivables and liabilities are denominated in euros. Hedging of net positions in foreign currency for foreign currency liabilities is not used.

The share capital is unchanged compared to the previous year - it amounts to € 3,430,000. Equity decreased to EUR 5,466 thousand compared to EUR 6,853 thousand in the previous year. The equity ratio is 96.3% (previous year: 97.8%).

In 2021, 130,000 capsensixx AG shares were acquired for EUR 14.00 per share as part of a buyback offer with an acceptance period until February 23, 2021 and a further 80,000 capsensixx AG shares for EUR 16.10 per share with an acceptance period until December 6, 2021. The shares were credited to capsensixx AG on 3 March 2021 (130,000 shares) and 15 December 2021 (80,000 shares). The share of the shares in the share capital amounts to EUR 340,000.00 and corresponds to 9.91%. The amount was deducted openly from the subscribed capital. The additional purchase price of EUR 2,898 thousand was deducted from the retained profit. Based on the previous year's balance sheet loss of EUR 1,397 thousand, the balance sheet loss increased accordingly by EUR 1,177 thousand, taking into account the net income of EUR 1,721 thousand.

Total assets decreased to EUR 5,679 thousand (previous year: EUR 7,008 thousand). The shares in affiliated companies remain unchanged at EUR 3,000 thousand (previous year: EUR

3,000 thousand). Other assets decreased slightly to EUR 1,822 thousand (previous year: EUR 1,942 thousand). The other assets include the purchase price receivables in relation to coraixx's MBO in the amount of EUR 1,730 thousand (previous year: EUR 1,730 thousand). Bank balances fell to EUR 18 thousand in the year under review (previous year: EUR 70 thousand). The portfolio of securities in the amount of EUR 838 thousand decreased compared to the previous year (previous year: EUR 1,973 thousand).

Cpx has sufficient liquidity buffers and has been able to meet its financial obligations at all times.

Liabilities of EUR 65 thousand (previous year: EUR 37 thousand) are reported on the liabilities side.

2.5 Decisions of the ordinary general meeting 2021

The Annual General Meeting approved the actions of the Executive Board and Supervisory Board for the 2020 financial year.

BDO AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, has been elected as auditor of the financial statements and consolidated financial statements for the 2021 financial year.

According to § 87a (1) AktG, the Supervisory Board has confirmed the remuneration system for the members of the Board of Management.

In addition, the Annual General Meeting confirmed the remuneration system for the members of the Supervisory Board and the members of the Board of Management.

3. Forecast, Risk and Opportunities report

3.1 General comments

From our financial instruments, we are (limited) exposed to the following main risks: credit risk, liquidity risk and market risk (including currency risk and interest rate risk). As a result, we have implemented policies and procedures for measuring, managing, monitoring and reporting risks, which are regularly reviewed by the Board of Management. The Executive Board has overall responsibility for setting up and monitoring our risk management. This distinguishes four risk categories: strategic, operational, reporting / finance and compliance. Periodic reporting on the four risk categories is carried out on the following points:

- reporting on predefined main risk indicators;
- reporting on incidents; and
- reporting on regular risk self-assessments,

We have introduced a three-step model to manage our risk:

- The first level of risk management is carried out by the company. The primary responsibility for strategy, performance and risk management lies with the Executive Board and the subsidiaries.
- The second stage of risk management is risk monitoring. This is done at the level of subsidiaries and their compliance officers, tax and legal advisors, and relationship managers to ensure that compliance procedures and policies regarding customer and business acceptance are adhered to according to a defined risk profile.
- The third stage of risk management concerns ensuring the effectiveness of internal controls and the general management of our Group by our internal audit department. The aim is for our internal audit department to visit all subsidiary units at least once a three-year cycle. Our internal audit department reviews each operation primarily for the quality of business processes, finances, compliance, IT, human resources and governance, with a focus on improving processes and controls.

Internal control system and risk management system related to the accounting process

The aim of the internal control and risk management system regarding financial reporting is that the annual financial statements and the consolidated financial statements provide a true and fair view of the net assets, financial position and results of operations in accordance with the applicable accounting standards in accordance with HGB and IFRS. The objective of proper financial reporting is jeopardized by the incorrectness of material information in financial reporting. It does not matter whether this is due to a single fact or only through the combination of several facts. Risks to financial reporting can arise from errors in business processes. In addition, fraudulent behavior can lead to incorrect presentation of information.

Therefore, the Management Board must ensure that the risks associated with incorrect presentation, measurement or incorrect presentation of financial reporting information are minimized.

The internal control system and risk management are designed to ensure sufficient assurance regarding compliance with applicable legal requirements, the regularity and profitability of business activities and the completeness and accuracy of financial reporting. It should be borne in mind that the implemented internal control system cannot completely rule out errors or cases of fraud and thus do not offer absolute security, but nevertheless sufficient security.

We have taken comprehensive measures to ensure that the cpx Group's accounting complies with the relevant laws and standards. To this end, we analyze new laws, accounting standards and other pronouncements regarding IFRS accounting and its impact on our financial statements. Our internal control system provides for both preventive and retrospective controls. This includes IT-supported and manual coordination, the establishment of segregation of duties (four-eyes principle), access regulations in our software systems and other monitoring activities in day-to-day business.

The Group Accounting department is responsible for the timeliness, uniformity and application of the relevant accounting policies. These guidelines, as well as the closing calendar, form the basis for the financial statement preparation process. After this, we prepare the financial statements for all cpx Group companies, partly with the support of external service providers.

In addition, we make use of the support of external service providers for the balance sheet assessment of complex individual circumstances, such as the implementation of purchase price allocations for company acquisitions.

In addition to the risks presented in connection with the business activities of our subsidiaries, cpx is subject to the risk classes presented below.

3.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a client contract, resulting in a financial loss. Credit risks mainly consist of trade receivables and credit balances with credit institutions. The cash and cash equivalents we hold are mainly held with banks rated "BBB" or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd. Current assets amounted to EUR 90,649 thousand as of December 31, 2021 (previous year: EUR 44,480 thousand). These mainly consisted of trade receivables (EUR 72,087 thousand), deposits with banks amounting to EUR 13,610 thousand, securities (EUR 3,231 thousand), tax refund claims (EUR 387 thousand) and other receivables, mainly from expenses incurred (EUR 1,335 thousand).

3.3 Liquidity risk

Liquidity risk includes the risk of a shortage of money and the risk that we may have difficulty meeting our obligations in connection with our financial liabilities. We monitor our risk of a shortage of funds based on recurring liquidity planning. In addition, a cash flow forecast for the next twelve months is prepared in December. The bank balance as of December 31, 2021, amounts to EUR 13,610 thousand. Our subsidiaries prepare their own cash flow forecasts and are consolidated by the Management Board. There are currently intra-group credit lines granted by PEH Wertpapier AG. Credit lines from credit institutions do not exist as of the reporting date. The Management Board monitors the rolling forecasts of our liquidity requirements as well as our actual liquidity position to ensure that we have sufficient cash and cash equivalents to meet operational needs. We hold the amounts required for working capital management and the Board determines the best possible use of excess cash and cash equivalents (repayment of loans, deposits, etc.).

3.4 Market risk

Market risk results from uncertainty about changes in market prices and market prices and the correlations and volatilities between them. Market price risk in the narrower sense is the risk of a loss that may occur due to adverse changes in market prices or price-influencing parameters.

Market liquidity risk is the risk of a loss that may occur due to adverse changes in market liquidity, for example due to market disruptions. Market price risks arise to a small extent at cpx due to liquidity management activities. Securities held in the portfolio may be exposed to price risk due to market price fluctuations. Through constant monitoring and evaluation of the portfolio, possible earnings effects of strong price fluctuations are addressed at an early stage. In this way, we ensure prompt reactions to market changes. The presentation of capital requirements for market risks is not relevant for cpx. There are no foreign currency and commodity position risks. The changes in the present value of all items in relation to own funds are reflected continuously. The simulation is automated across all positions. The changes in value determined in this context always remained below the threshold of 5% of own funds in the reporting period. As of the balance sheet date, there were no material interest rate risks.

3.5 Summary of the risk situation

Cpx's business development is also influenced by risks. This is shown above. Through our systems and comprehensive reporting, we ensure the identification, assessment, management and monitoring of our risks of current and future development. The information provided ensures the initiation and prioritization of risk management measures in a timely manner.

In 2021, cpx operated within the scope of its economic risk-bearing capacity.

Considering our forecast business development, there were and are no risks that jeopardize the company's existence.

Even in the event of possible disruptions, regulated business operations are ensured. Through our risk monitoring and management systems and the consistent alignment of our business model with risk-bearing capacity, we can ensure that the risks taken in the course of our business activities are underpinned by appropriate risk capital. The effectiveness of our risk management and its regulatory implementation are regularly reviewed by external auditors and internal audit. The risk management and controlling system is constantly being further developed, especially regarding the development of the volume and complexity of our business.

The risks presented and those that are not yet known to us or have been assessed as insignificant to date could have a negative impact on our forecasts made in the outlook.

3.6 Future general economic development

The global economy is expected to continue to recover in the current year, expanding at a rate of 4.9 percent year-on-year. Over the past year, global economic activity has continued to suffer markedly from the corona pandemic. For 2022, it is expected that with rising vaccination rates, declining infection numbers and the decrease in material and supply shortages, a further revival of the global economy will begin.

The prerequisite for this is that the war in Ukraine with Russia, which broke out at the end of February 2022, does not expand further and that the dramatically negative effects on the people of Ukraine that are already resulting from this are ended as quickly as possible. However, the impact on the financial and capital markets is still uncertain.

In an international comparison, the German economy has so far recovered relatively slowly from the pandemic-related slumps in spring 2020 and early 2021. After Q3 2021, price- and seasonally adjusted gross domestic product (GDP) was still about 1% lower than in Q4 2019 before the outbreak of the pandemic. Other industrialized countries, above all China and the USA, as well as world trade, have already exceeded the pre-crisis level again. This has contributed to the material shortages and logistics problems. In addition, despite the vaccination progress achieved, a fourth wave of infections spread in the 4th quarter of 2021, which still far exceeds the previous waves of infections in terms of infection numbers. This and the aforementioned material and delivery problems slow down the catch-up process again. This particularly affects people-based services, in particular trade and gastronomy, as well as industry, especially the automotive industry. With the easing of these effects, however, the recovery process, combined with catch-up effects, should gain additional momentum in the summer half of 2022.

For Germany, the German government expects an increase in price-adjusted gross domestic product (GDP) of 4.0 percent. It can be assumed that economic output in the first quarter will still be significantly affected by stricter pandemic-related protective measures and by the aforementioned supply bottlenecks for precursors. From the second quarter of 2022, the economy should pick up speed again. The upswing is being driven by private consumption, but also by exports and business investment. It is assumed that the supply bottlenecks will be completely resolved by the end of next year. Industrial production is receiving a strong boost due to catch-up and catch-up effects. It is even likely to go slightly beyond the level that would have been expected without the previous supply bottlenecks for some time. Then part of the previously accumulated order backlog is processed. This is reflected in temporary sharp increases in exports and business investment. Towards the end of the projection period, they lose considerable momentum again. Private consumption will increase strongly in the coming year, not only because of the largely eliminated protective measures against the pandemic. At times, it is further strengthened by the fact that additional savings created during the pandemic are partly spent on consumption purposes. This means that the German economy as a whole is in the picture of a strong upswing that has only been temporarily interrupted, which will only lose speed in 2024. After an increase of 2.5% in the current year, calendar-adjusted real GDP could grow even more strongly next year and the year after next, at just over 4% and just over 3% respectively.

3.7 Future industry situation

The uncertainty of private and institutional investors regarding the new regulations due to the new legal regulations, the general market development and the further course of the so-called corona crisis could lead to different reactions. In the fixed-income sector, we continue to expect relatively low yields for the foreseeable future. This entails the great danger of a "creeping expropriation", which is why we also favor the asset class "equities" for the investor year 2022 ahead of us. Despite temporary price fluctuations, they serve to secure / increase assets in the long term through the entrepreneurial investment approach. This also provides opportunities for the further development of PEH, insofar as it can benefit from commission income through a further economic recovery through rising share prices.

The prerequisite for this is that the war in Ukraine with Russia, which broke out at the end of February 2022, does not expand further and that the dramatically negative effects on the people of Ukraine that are already resulting from this are ended as quickly as possible. However, the impact on the financial and capital markets is still uncertain.

In addition, we also refer to the supplementary report in the Notes to the Consolidated Financial Statements.

3.8 Probable business development

Cpx's outlook will continue to be shaped by trends and influencing factors that we have described and presented here. This will also determine the earnings potential for 2022.

Our economic development in 2022 depends to a large extent on how the international capital markets will develop. However, should there be renewed turbulence on the financial and capital markets, negative effects on the financial services industry and also on our company could not be ruled out. The coronavirus pandemic continues to cause economies to cope with new massive restrictions. Against this background, at the time of the preparation of the consolidated financial statements and the combined management report, it is not yet foreseeable what consequences this will have for the development of the economies and the international financial markets in the course of 2022. This could lead to changes in the investment behavior of investors, which would subsequently burden the company's net assets, financial position, and results of operations in 2022. The concrete impact on the net assets, financial position, and results of operations in 2022 cannot yet be predicted with sufficient reliability.

Despite these uncertainties, however, we again expect cpx to generate a positive result due to an expected slight economic recovery and the business development to date under the influence of the coronavirus pandemic.

For the same reasons, we are planning a slight increase in APM (EBITDA, AuA) of between 2 – 5% for the cpx Group. We will continue to critically review the development of opportunities and risks for the Group and society in the future.

The prerequisite for the expected development is that the war in Ukraine, which broke out at the end of February 2022, does not expand further and that the dramatically negative effects on the people of Ukraine that are already resulting from this are ended as quickly as possible. However, the impact on the financial and capital markets is still uncertain. Society itself is not directly affected by the implications of the war, except for the impact on the AuA.

The combined management report contains forward-looking statements about expected developments. These statements are based on current estimates and are inherently subject to risks and uncertainties. Actual results may differ from those expressed herein. Renewed distortions on the financial markets, political developments and other external events are unpredictable – the associated forecast uncertainty must be noted.

Fund Management segment

As in the previous year, the "Fund Management" segment aims to grow organically by generating new customers and net inflows. Due to its ability to manage funds domiciled in Germany and the (absolute) growth rate of German funds compared to Luxembourg funds, Germany remains an important growth region for the segment. As the fund industry in Luxembourg is in the process of consolidation, the segment offers its back-office services externally to fund management companies and managers. Against the background of the global uncertain economic situation, but an expected slight economic recovery and the business development to date under the influence of the coronavirus pandemic, we expect a slight increase in EBITDA and AuA of between 2 – 5% each from the segment in the 2022 financial year.

Securitisation segment

In the "Securitisation" segment, new projects were launched in the previous year in order to improve the offering and address new customers. For the 2022 financial year, we are planning a slight increase in EBITDA of between 2 – 5% each against the background of an expected further slight economic recovery and the associated development on the capital markets.

4. Statement on the Dependency Report of the Management Board concerning Relations to Affiliated Companies in accordance with § 312 AktG

capsensixx was in the fiscal year 2021 a company dependent on PEH Wertpapier AG, Frankfurt am Main, within the meaning of § 312 AktG (German Stock Corporation Act.). In accordance with § 312 (1) AktG the Management Board of capsensixx AG has, therefore, prepared a report of the Management Board about relations to affiliated companies which includes the following final statement:

In accordance with § 312 (3) AktG we as Management Board of cpx, hereby declare that, with regard to the legal transactions carried out as listed in the above report on relationships with affiliated companies, the company received appropriate consideration for each legal transaction according to the circumstances of which we were aware at the time when the legal transaction was carried out and was not disadvantaged thereby. No further measures were taken or omitted in 2021.

5. Takeover-relevant information

1. Classes of shares: the Company has issued only one class of shares. The subscribed capital amounts to EUR 3,430,000 and is divided into 3,430,000 no-par value shares. All shares grant the same rights.
2. There are no restrictions on voting rights or transfers of shares. On the balance sheet date, cpx held 340,000 treasury shares. Treasury shares amount to 9.91% of the share capital. The Company has no rights, in particular no voting rights, from treasury shares (see Notes, Notes to the Balance Sheet ("Authorization to Acquire Treasury Shares").
3. PEH Wertpapier AG, Frankfurt, Germany, holds an interest in cpx exceeding 10%. It currently holds 88.79% (calculation ex treasury shares) of the voting rights in cpx.
4. There are no shares with special rights.
5. There are no shares with voting rights controls or which do not directly exercise their control rights.
6. In accordance with the Articles of Association, the members of the Executive Board are appointed and dismissed by the Supervisory Board. The Management Board consists of one or more persons. As for the rest, the Supervisory Board determines the number of members of the Management Board. The Supervisory Board may appoint a chairman of the Management Board as well as a deputy chairman of the Management Board. Deputy members of the Management Board may be appointed. If only one member of the Management Board is appointed, he or she represents the company alone. If the Management Board consists of more than one person, two members of the Management Board or one member of the Management Board acting together with a prokurist (authorized officer) will represent the company. The Supervisory Board may determine whether individual members of the Management Board are authorized to represent the Company alone and / or conduct legal transactions simultaneously with themselves as representatives of a third party (exemption from the prohibition of multiple representation of § 181 BGB - German Civil Code). The Management Board adopts rules of procedure by unanimous resolution which govern the distribution of business amongst the members of the Management Board as well as details concerning the adoption of resolution by the Management Board. Rules of procedure of the Management Board require the approval of the Supervisory Board.

Amendments to the articles of association require a resolution by the general meeting. Unless otherwise required by law, a simple majority of the votes cast in accordance with § 17 (2) sentence 1 of the articles of association of the company is sufficient. Furthermore, § 17 (2) sentence 2 of the articles of association stipulates that in cases in which the applicable law requires a majority of the share capital represented at the adoption of the resolutions, the simple majority of the represented share capital is sufficient, unless applicable law requires a larger majority .

7. In accordance with § 4 of the articles of association, the Management Board is authorized, to increase the share capital until March 20, 2023, with the approval of the Supervisory Board by issuing new no-par value bearer shares against cash / or non-cash contributions once or several times up to a total amount of EUR 1,220,000.00.

8. By resolution of the 2020 Annual General Meeting, the Company was authorized to acquire and sell treasury shares in the amount of up to 10% of the share capital for a term until October 12, 2025.

9. No significant agreements have been made that are conditional on a change of control as a result of a takeover bid.

10. There are no compensation agreements with members of the Management Board or employees in the event of a takeover bid.

Furthermore, we refer to information in accordance with § 160 (1) No. 2 AktG in the Notes to the consolidated financial statements.

6. Declaration on Corporate Governance (§§ 315d and 289 HGB)

The declaration was submitted in full by cpx and made publicly available on the company's website (https:// www.capsensixx.de/berichte/).

7. Compensation Report (§162 AktG)

The remuneration report required by § 162 AktG was prepared by capsensixx AG and made available on the company's homepage (https://www.capsensixx.de/berichte/).

Frankfurt am Main, 8 April 2022

Martin Stürner

Management Board

Consolidated Financial Statements as of 31.12.2021
Consolidated Profit and Loss Account

in € thousand	Notes to the Appendix	01.01.2021-31.12.2021	01.01.2020 - 31.12.2020
Commission income	B.1.	179,945	110,309
Commission expenses	B.2.	-153,415	-86,139
Net commission income		**26,531**	**24,170**
Other operating income	B.3	134	759
Finance income		1,327	843
Finance costs		-389	-517
Finance results	B.4	**937**	**326**
Wages and salaries		-8,591	-8,287
Social security contributions and expenses for pensions and other benefits		-2,111	-1,928
Personnel expenses	B.5	**-10,702**	**-10,215**
Other administrative expenses	B.6	-6,726	-6,589
Depreciation	B.7	-1,467	-1,952
Profits before tax from continuing operations		**8,707**	**6,499**
Income tax expenses	B.8	-2,458	-1,853
Profit for the period		**6,248**	**4,646**
Attributable to:			
Shareholders		3,004	2,254
Non-controlling interests		3,244	2,392
Earnings per share (EPS):			
Basic, profit for the period attributable to ordinary equity holders of the parent	B.9	**0.94**	**0.66**
Earnings per share from continuing operations:			
Basic, profit from continuing operations attributable to ordinary equity holders of the parent		**0.94**	**0.66**

Consolidated statement of comprehensive income

in € thousand	Notes to the Appendix	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Profit for the period		**6,248**	**4,646**
Other comprehensive income		**-**	**-**
Other comprehensive loss for the period, net of taxes		**-**	**-**
Total comprehensive income for the period, net of tax		**6,248**	**4,646**
Attributable to:			
Shareholders		3,004	2,254
Non-controlling interests		3,244	2,392

Balance sheet

in € thousand **ASSETS**	**Notes to the Appendix**	**31.12.2021**	**31.12.2020**
Non-current assets			
Intangible assets	C.1	1,227	1,477
Property, plant, and equipment	C.2.	6,291	2,184
Non-current financial assets	C.3.	2,130	2,103
Deferred tax assets	C.14.	-	7
Total non-current assets		**9,648**	**5,771**
Current assets			
Trade receivables	C.4.	72,087	28,453
Tax receivables	C.6.	387	689
Financial instruments and other financial assets	C.5	3,231	5,600
Other current non-financial assets	C.6.	1,335	965
Cash and cash equivalents	C.7.	13,610	8,773
Total current assets		**90,649**	**44,480**
Total assets		**100,297**	**50,251**

In € thousand **EQUITY AND LIABILITIES**	**Notes to the Appendix**	**31.12.2021**	**31.12.2020**
Equity			
Issued capital	C.8.	3,430	3,430
Treasury shares acquired	C.8.	-4,798	-1,690
Share premium	C.8.	4,848	4,848
Retained earnings	C.8.	8,558	5,554
Equity attributable to equity holders of capsensixx AG		**12,039**	**12,143**
Non-controlling interests	C.8.	8,574	7,313
Total Equity		**20,613**	**19,456**
Non-current liabilities			
Lease liabilities	C.9.	5,005	917
Deferred tax liabilities	C.14.	18	34
Other non-financial liabilities		-	3
Provisions	C.10.	427	-
Total non-current liabilities		**5,450**	**954**
Current liabilities			
Trade accounts payable	C.12.	70,582	26,309
Leasing liabilities	C.9.	861	833
Other current financial liabilities		2	2
Other current non-financial liabilities	C.13.	2,140	2,305
Income tax payables	C.11.	649	392
Total current liabilities		**74,234**	**29,840**
Total liabilities		**79,684**	**30,795**
Total equity and liabilities		**100,297**	**50,251**

Consolidated statement of changes in equity

in € thousand	Attributable to the owners of capsensixx AG					Non-controlling interests	Total equity
	Share capital	Own shares	Capital reserve	Retained earnings	Total		
As of 1 January 2020	**3,430**	**-**	**4,848**	**3,380**	**11,658**	**6,913**	**18,572**
Profit for the period	-	-	-	2,254	**2,254**	2,392	**4,646**
Overall result for the period	**-**	**-**	**-**	**2,254**	**2,254**	**2,392**	**4,646**
Dividends	-	-	-		**-**	-1,992	**-1,992**
Capital reduction	-	-1,690	-	-	**-1,690**	-	**-1,690**
Other changes	-	-	-	-80	**-80**	-	**-80**
As of 31 December 2020	**3,430**	**-1,690**	**4,848**	**5,554**	**12,142**	**7,313**	**19,456**

in € thousand	Attributable to the owners of capsensixx AG					Non-controlling interests	Total equity
	Share capital	**Own shares**	**Capital reserve**	**Retained earnings**	**Equity**		
Status of 1 January 2021	**3,430**	**-1,690**	**4,848**	**5,554**	**12,143**	**7,313**	**19,456**
Profit for the period	-	-	-	3,004	**3,004**	3,244	**6,248**
Other comprehensive income	-	-	-	-	**-**	-	**-**
Overall result for the period	**-**	**-**	**-**	**3,004**	**3,004**	**3,244**	**6,248**
Dividends paid	-	-	-	-	**-**	-2,000	**-2,000**
Capital reduction	-	-3,108	-	-	**-3,108**	-	**-3,108**
Deposit/withdrawal from transactions with non-controlling interests	-	-	-	-	**-**	1,288	**1,288**
Disposal from the scope of consolidation	-	-	-	-	**-**	-1,272	**-1,272**
As of 31 December 2021	**3,430**	**-4,798**	**4,848**	**8,558**	**12,039**	**8,574**	**20,613**

Consolidated Statement of Cash Flows

in € thousand	Notes to the Appendix	2021	2020
1. Operating activities			
Profit before tax from continuing operations		**8,707**	**6,499**
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and impairment of property, plant and equipment and rights-of-use	C.1, C.2	1,467	1,952
Financial results	B.4	-937	-326
Gain/loss from the disposal of subsidiaries	A.3	25	-
Other non-cash transactions		21	-33
Working capital adjustments:			
Increase/(decrease) in trade receivables, contract assets and prepayments	C.4, C.6	-43,927	-8,255
Increase/(decrease) in trade and other payables, contract liabilities and refund liabilities	C.12,C.13	43,954	8,044
Increase/(decrease) in provisions	C.10.	427	-
Interest received		-	7
Interest paid		-46	-63
Income taxes paid		-1,987	-1,744
Net cash flow from operating activities		**7,703**	**6,081**

3. Financing activities			
Proceeds from loans		-	140
Payment for the acquisition of treasury shares		-3,108	-1,690
Payments of lease liabilities	D.3	-855	-889
Dividends paid to non-controlling interests of subsidiaries		-2,000	-1,992
Deposits/withdrawals from transactions with non-controlling interests		1,288	-
Payments from received donations		8	
Net cash flow used in/(from) financing activities		**-4,667**	**-4,431**
Net decrease/(increase) in cash and cash equivalents		**4,837**	**936**
Cash and cash equivalents at 1 January		8,773	7,836
Net foreign exchange difference			
Cash and cash equivalents at 31 December 2021		**13,610**	**8,773**

Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

A.General information

A.1.Fundamental information about the company

Capsensixx AG ("capsensixx" or "the Group") is a holding company with direct or indirect investments in Germany and abroad. The statutory object of the company is the holding of shares in companies at home/abroad that provide banking transactions, financial services, software development and other services of all kinds except transactions requiring state approval.

Capsensixx is a stock corporation founded under German law and has its registered office in Frankfurt am Main. The company is registered in the commercial register at the District Court of Frankfurt am Main under the number HRB 110258. The registered office of the company is in Frankfurt am Main, Germany and the business address is Bettinastraße 57-59, 60325 Frankfurt am Main, Germany. Capsensixx was founded on 10 November 2017. With a contribution agreement dated 28 March 2018, PEH Wertpapier AG increased the share capital by contributing the shares in Axxion S.A. and Oaklet GmbH in kind. Since 21 June 2018, the company has been listed on the Frankfurt Stock Exchange in the Prime Standard (ISIN DE000A2G9M17).

Capsensixx is included in the consolidated financial statements of PEH Wertpapier AG. PEH Wertpapier AG is registered at Bettinastraße 57-59, Frankfurt am Main. The consolidated financial statements are published in the Federal Gazette.

A.2.General information regarding the financial statements

As a publicly traded company, capsensixx prepares consolidated financial statements in accordance with § 315e (1) HGB in line with International Financial Reporting Standards ("IFRS") as required by the European Union. These consolidated financial statements comply with IFRS and have taken into account all standards and interpretations mandatory for fiscal years beginning on or after January 1, 2021 ("IFRS IC"). The consolidated financial statements have

been supplemented by a management report combined with the Group management report in accordance with §§ 315-315d HGB and by additional explanatory notes in accordance with § 315e (1) HGB.
The consolidated financial statements have been prepared on a going concern basis and in euros. The financial year for the Group and for the consolidated companies corresponds to the calendar year.

Unless otherwise stated, all amounts are presented in thousands of euros (k€). Unless otherwise stated, the financial information presented has been rounded to the nearest thousand.

The Management Board authorized the consolidated financial statements for release on April 26, 2022.

A.3. Accounting and Measurement Policies

Consolidation principles

The consolidated financial statements include capsensixx and its subsidiaries as of December 31, 2021. Control exists when the Group has exposure, or rights, to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect those returns. In particular, the Group controls an investee if, and only if, it has all of the following characteristics:

- control over the investee (i.e., the Group has the ability to direct those activities of the investee that have a significant effect on the investee's returns based on currently existing rights)
- a risk exposure to, or rights to, fluctuating returns from its involvement with the investee
- the ability to use its power over the investee in a way that affects the investee's return on investment.

In general, ownership of a majority of the voting rights is presumed to result in control. In support of this assumption, and where the Group does not have a majority of the voting rights or rights equivalent to voting rights in an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the investee. These include:

- contractual agreements with the other voting shareholders
- Rights resulting from other contractual agreements
- Voting rights and potential voting rights of the Group

If facts and circumstances indicate that one or more of the three control elements have changed, the group must reassess whether it controls an investee. The consolidation of a subsidiary begins on the day on which the Group acquires control of the subsidiary. It ends when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the reporting period are recognized in the consolidated financial statements from the date on which the Group acquires control of the subsidiary until the date on which control ceases.

The profit or loss and any component of other comprehensive income are attributed to holders of common shares of the parent and non-controlling interests, even if this results in a negative balance of the non-controlling interests. If necessary, adjustments are made to the financial statements of subsidiaries in order to align their accounting policies with those of the Group. All intra-group assets and liabilities, equity, income and expenses, and cash flows from transactions that occur between Group companies are completely eliminated during consolidation.

In addition to capsensixx, the following significant subsidiaries were included in the consolidated financial statements in the year under review (shareholdings):

Name	Main	Seat	2021	2020
Oaklet Ltd.	Provision of financial services	Frankfurt am Main, Germany	53.86 %	53.86 %
Oaklet S.A.	Provision of financial services	Wasserbillig, Luxembourg	53.86 %	53.86 %
Axxion S.A.	Provision of financial services	Grevenmacher, Luxembourg	50.01 %	50.01 %
navAXX S.A.	Provision of financial services	Grevenmacher, Luxembourg	50.01 %	50.01 %
Axxion Germany InvAG	Creation and management of own resources	Frankfurt am Main, Germany	50.01 %	50.01 %

All shares in the associated WuV - One Earth Fund (formerly Axxion Revolution Fund-One) were sold in December 2021 for a purchase price of EUR 979 thousand and the WuV - One Earth Fund was deconsolidated.

Non-controlling interests

Non-controlling interests are recognized in proportion to their share of the fair values of the identifiable assets acquired and liabilities assumed (including contingent liabilities). Expenses, income, receivables and liabilities between fully consolidated companies, as well as intercompany profits from intra-Group supply and service relationships, are eliminated. Deferred taxes are recognized on consolidation transactions recognized in profit or loss.

The following is aggregated financial information for each subsidiary in which there are non-controlling interests that are material to the Group. The amounts are before intra-group eliminations.

	Axxion Subgroup		Oaklet Subgroup	
in € thousand	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Current assets	82,192	36,338	7,462	5,753
Non-current assets	8,215	3,481	753	485
Total assets	**90,407**	**39,820**	**8,215**	**6,237**
Current liabilities	72,676	28,432	1,345	1,251
Non-current liabilities	6,712	1,251	317	230
Total liabilities	**79,388**	**29,683**	**1,663**	**1,481**
Cumulative non-controlling interests	**5,552**	**5,173**	**3,022**	**2,195**

	Axxion Subgroup		Oaklet Subgroup	
in € thousand	**2021**	**2020**	**2021**	**2020**
Commission income	174,798	104,867	5,163	5,455
Net income	**4,831**	**3,090**	**1,796**	**1,849**
Total	4,831	3,090	1,796	1,849
Result attributable to non-controlling interests	3,472	2,788	826	853
Dividends paid to non-controlling interests	2,000	1,500	-	299

	Axxion Subgroup		Oaklet Subgroup	
in € thousand	**2021**	**2020**	**2021**	**2020**
Cash flows from operating activities	7,091	4,472	820	2,067
Cash flows from investing activities	558	257	-23	132
Cash flows from financing activities	-3,490	-4,941	-66	-751
Net increase/(decrease) in cash and cash equivalents	**4,158**	**-212**	**731**	**1,449**

Fair value measurement

Fair value is the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or liability is measured on the basis of the assumptions that market participants would use in pricing the asset or liability. It is assumed that market participants act in their best economic interest.

In measuring the fair value of a non-financial asset, consideration is given to the market participant's ability to generate economic benefits by using the asset in its most economically rational and efficient manner or by selling it to another market participant that will use the asset in its most economically rational and efficient manner.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value. The use of significant observable inputs is minimized and the use of unobservable inputs is maximized.

All assets and liabilities for which fair value is determined or recognized in the financial statements are categorized into the measurement hierarchy described below based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable in the market
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable in the market

For assets and liabilities recognized in the financial statements on a recurring basis at fair value, the Group determines whether reclassifications have occurred between the levels of the hierarchy by reviewing the classification (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In order to meet the disclosure requirements for fair values, the Group has defined classes of assets and liabilities based on their nature, characteristics and risks, as well as the levels of the assessment hierarchy explained above.

Currency translation

The consolidated financial statements are prepared in euros, the functional currency of the parent company. Foreign currency transactions by Group companies are translated into the functional currency at the spot rate prevailing at the date when the transaction first becomes recognizable. Monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at each reporting date using the spot exchange rate at that date.

Revenue from contracts with customers

The Group is active in the areas of fund administration, fund accounting (combined in the Fund Administration segment) and securitization.

Revenues from contracts with customers are recognized when the respective performance obligation is fulfilled, i.e., control over the services is transferred to the customer. This is fulfilled when the customer has the ability to use the asset and obtains substantially all of the remaining economic benefits from the asset (at a point in time or over a period of time).

The Group mainly provides services. The corresponding revenues from these services are essentially recognized over time, as the customer receives the benefit of the service at the same time as it is provided. In the case of services, straight-line revenue recognition is considered appropriate to reflect the stage of completion of the service. Only in the case of separate consulting services are services partly time-related.

The determination of the transaction price depends on the expected consideration of the customer for the service to be provided. Variable consideration, e.g., in the form of performance fees, is determined using the expected value method. Furthermore, it is assessed whether it is highly likely that there will be no significant cancellation of revenues as soon as the uncertainty associated with the variable consideration no longer exists. If these conditions are not met, it is assumed that the variable consideration is completely limited until the actual valuation date occurs and the uncertainty associated with the variable consideration no longer exists.

On a regular basis, the Group's individual performance commitments (e.g., portfolio management, risk management, central administration, activity as a registry and transfer office) represent only a single performance obligation, as customers can regularly benefit from the individual performance commitments separately or together with other resources available to them at all times. However, these commitments of the company are not separable from other commitments under the contract, i.e., they can be independently defined in the context of the contract, since they are highly dependent on each other and the Group can only fulfil its obligation to manage assets, including the fulfilment of all relevant (legal) requirements, by carrying out these activities in total.

Individual performance commitments represent separate performance obligations or a series of separate performance obligations, e.g., in the case of separate consulting services or set-up fees.

Insofar as contracts of the Group can be assumed to have contracts with only one performance obligation, the transaction price attributable to the respective performance obligation is recognised as revenue as soon as the corresponding performance obligation has been fulfilled. Since the performance obligations are usually significantly shorter than one year, a presentation of the obligations open on the reporting date in the notes is omitted. This is due to the fact that the completed service obligations can be terminated almost exclusively in the short term and therefore there are no long-term enforceable rights and obligations.

In principle, a distinction must be made as to whether a performance obligation consists in providing the corresponding service itself (so that the group acts as a principal) or whether this consists in commissioning another party to provide the service (so that the group acts as an agent). In its role as a management company for various funds, the Group is authorized to use its own service providers to fulfil the associated obligations.

In principle, the Group has come to the conclusion that it acts as a principal in its sales transactions, as it usually has control over the services before they are transferred to the customer. This is also due to the fact that the Group may outsource services but is liable for any errors of the service provider towards the customer of the company as well as for its own errors. In addition, the Company is authorized to issue instructions to a service provider and to intervene in its activities as well as to set the price.

Fixed assets

Property, plant, and equipment are recognized at cost less depreciation and amortization in accordance with the expected useful life. In addition to the direct costs, the acquisition costs include all directly attributable costs incurred to bring the asset to its location and into operational condition. The acquisition cost of the leases recognized in the balance sheet item Property, plant and equipment corresponds to the present value of future lease payments. Information on leases can be found in Section D.4. can be removed.

Depreciation of property, plant and equipment is carried out using the straight-line method.

	Service life	Amortization rate in %
Other equipment, factory, and office equipment	2 to 8	13 - 50
Right of use leasing (IFRS 16)	1 to 5	20 - 100

Depreciation and amortization are recognized in the income statement item Depreciation and amortization. Reversals of impairment losses are recognized in other operating income.

Intangible assets

Intangible assets acquired for consideration are recognised at cost less straight-line depreciation. The amortization of intangible assets is generally carried out on a straight-line basis over the economic useful life as planned.

The depreciation periods are for:

In years	Period of use in years	Amortization rate in %
EDV Software	3 to 5	20 - 33
EDV Licenses	3 to 5	20 - 33
Customer Contracts	5	20

Goodwill is recognized at cost and reviewed for impairment at least annually. Acquired intangible assets are capitalized in accordance with IAS 38 when it is likely that there will be a future economic benefit associated with their use and the cost of the asset can be reliably determined.

Impairment of non-financial assets

At each balance sheet date, the Group reviews the carrying amounts of other intangible assets and property, plant, and equipment to see if there are indications that an impairment may have occurred.

In that case, the recoverable amount of the asset concerned shall be determined in order to determine the amount of any value adjustment to be made. For the purpose of checking the recoverability of intangible assets with an indefinite useful life (including goodwill), the recoverable amount is determined once a year, regardless of any indications. The recoverable amount corresponds to the fair value less costs to sell or the value in use, the higher of the two values being decisive. The value in use corresponds to the present value of the cash flows expected in the future.

The discount rate used to calculate the value in use is a pre-tax interest rate in line with market conditions. If the recoverable amount cannot be determined for an individual asset, the recoverable amount is determined for the smallest identifiable group of assets (cash generating units) to which the asset in question can be allocated.

Goodwill resulting from acquisitions is allocated to the cash generating units, which are expected to benefit from the synergies of the acquisition. Such cash generating units (CGU) represent the lowest reporting level in the Group at which goodwill is monitored by management for internal purposes. Currently, the legal entities represent individual CGUs. The recoverable amount of a cash generating unit containing goodwill is regularly reviewed for impairment annually at the balance sheet date and additionally if there are indications of a possible impairment at other times.

If the recoverable amount of an asset is lower than the carrying amount, an immediate impairment loss is made through profit or loss. If the impairment requirement is determined on the basis of cash generating units that contain goodwill, goodwill is first impaired. If the impairment requirement exceeds the carrying amount of goodwill, the remainder is distributed proportionally among the remaining non-current assets of the cash generating unit.

If, after an impairment loss has been carried out, a higher recoverable amount of the asset or the cash generating unit results at a later date, a reversal of impairment losses is carried out. The reversal of impairment losses is limited to the amortized cost that would have resulted without the value adjustments in the past. Reversals of impairment losses on goodwill are not permitted.

All impairments are recognized in depreciation and amortization through profit or loss.

Means of payment and short-term deposits

The item "cash and cash equivalents" in the balance sheet comprises cash on hand, bank balances and short-term highly liquid deposits with a maximum maturity of three months, which can be converted into fixed amounts of cash at any time and are subject to only an insignificant risk of fluctuations in value.

For the purposes of the cash flow statement, cash and cash equivalents include the cash and current deposits defined above less current account credits drawn down, as this is an integral part of the Group's cash disposition.

Financial assets

A financial instrument is a contract that simultaneously leads to the creation of a financial asset for one company and a financial liability or equity instrument for another company. In principle, this includes original financial instruments on the one hand and derivative financial instruments on the other. A customary purchase or sale of financial assets is recognized or derecognized at capsensixx on the settlement date.

<u>Classification and evaluation:</u>

A financial asset (other than a trade receivable without a material financing component) or a financial liability is measured at fair value at initial recognition. In the case of an item that is not measured at fair value through profit or loss in the subsequent measurement, the transaction costs directly attributable to its acquisition or issuance are added to this purpose. Trade receivables without a significant financing component are measured at the transaction price when they are initially recognized.

For the purposes of IFRS 9, the classification and measurement approach for financial assets applies, which reflects the business model under which the assets are held and the characteristics of their cash flows. When initially recognized, a financial asset is classified as follows:

- debt instruments at amortized cost;
- debt instruments that are measured at fair value through other comprehensive income (FVOCI) without affecting profit or loss, where the accumulated gains and losses are reclassified to the income statement (with reclassification) upon derecognition of the financial asset;
- debt instruments, derivatives and equity instruments measured at fair value through profit or loss (FVTPL) through profit or loss;

- Equity instruments that are measured at fair value without affecting profit or loss, with gains and losses remaining in other comprehensive income (FVOCI) (excluding reclassification).

The subsequent valuation of financial instruments continues to depend on the classification. Depending on the category, measurement is carried out at amortized cost, at fair value through profit or loss, or at fair value in other comprehensive income without affecting profit or loss. For instruments measured at amortized cost, the effective interest method applies.

The measurement categories "amortized cost" and "FVTPL" are relevant for the Group.

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held under a business model whose objective is to hold financial assets to collect contractual cash flows, and
- the terms of the financial asset result in cash flows at specified times, which are exclusively principal and interest payments on the outstanding principal amount.

The Group's financial assets measured at amortized cost include trade receivables, loan receivables and credit balances with credit institutions in the form of cash and demand deposits as well as other financial assets.

Financial assets with cash flows that are not exclusively principal and interest payments are classified as FVTPL and measured accordingly, regardless of the business model.

Financial assets measured at fair value through profit or loss are recognized in the balance sheet at fair value, with changes in fair value recognized in the income statement.
The group of financial assets measured at FVTPL mainly comprises investment fund shares, various certificates, and profit participation rights.

<u>Depreciation:</u>
The Group recognizes an impairment for expected credit losses (ECL) for all debt instruments that are not measured at FVTPL. The amount of loss recognition and the interest collection are determined by the assignment of the instrument to the following levels:

- Stage 1: Recording of expected credit losses over the next 12 months
- Stage 2: Recording of expected credit losses during the term
- Stage 3: Recording of expected credit losses during the term

In principle, all instruments are to be classified in level 1 upon access. If the credit risk of an instrument increases significantly at the balance sheet date, a transfer takes place in level 2. In stage 3, financial instruments are included as soon as there is an additional objective indication of impairment. Signs of impairment are continuously monitored and evaluated in order to be able to take appropriate measures. In determining whether the default risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group takes into account reasonable and reliable information that is relevant and available without undue time and cost. This includes both quantitative and qualitative information and analyses based on past experience and substantiated assessments, including forward-looking information. The Group generally assumes that the default risk of a financial asset has increased significantly if it is more than 30 days overdue. The assessment is carried out individually for each financial instrument.

Objective indicators that a financial asset is impaired in creditworthiness include the following observable data:

- significant financial difficulties of the customer
- a breach of contract, such as default or an overdue of more than 90 days
- Restructuring of a loan or credit by the group that it would otherwise not consider
- it is likely that the customer will go into insolvency or other restructuring proceedings, or
- the disappearance of an active market for a security due to financial difficulties.

Impairments on financial assets measured at amortized cost are deducted from the gross carrying amount of the asset. To determine the expected credit loss for trade receivables in accordance with IFRS 9, the Group applies the simplified approach to determining loan loss provisions ("expected credit loss model"), according to which the credit loss is calculated on the basis of the total term of the financial asset. In general, in the capsensixx Group, receivables that are more than 90 days overdue are expected to default. Signs of impairment are continuously monitored and evaluated in order to be able to take appropriate measures.

To estimate the expected credit losses in the area of trade receivables, the Group has defined a pension matrix based on historical data and expectations for the future (forward-looking information). Management will review and adjust the adjustment factor for forward-looking information at each reporting date. For this purpose, information on the economic development is used for the development of the amount and the maturity of the individual receivables compared to the historical average and verified within the industry. No adjustments were required in the financial year. A differentiation of the receivables is currently not considered necessary.

Financial liabilities

Financial liabilities are either measured at amortized cost (FLAC) or classified as financial liabilities at fair value through profit or loss (FVTPL). In principle, they are categorized as FVTPL if they are classified as held for trading, if they are derivatives or if the liabilities are designated as having recognized at fair value through profit or loss at the time of receipt.

All financial liabilities in the Group were measured as FLAC and recognized at cost at initial recognition, which corresponds to the fair value of the consideration received. The transaction costs are also taken into account. After initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

The Group recognizes a financial liability when the Group's liability has been settled, cancelled or expired.

Accruals

Provisions are recognized for all identifiable risks and uncertain obligations when the occurrence is probable and the estimation of the amount is sufficiently reliable. If the Group expects at least partial reimbursement for a deferred provision (such as in the case B of an insurance contract), reimbursement is only recognized as a separate asset if the reimbursement is virtually certain.

The provisions are measured with the best possible estimate of the scope of the obligation. Non-current provisions are discounted if this results in a significant effect.

Obligations that are basically fixed and for which there are only insignificant residual uncertainties with regard to the amount and time of maturity, for example because the contractor has not yet finally settled them, are defined as deferred liabilities under C.13. Other non-financial liabilities reported.**Fehler! Verweisquelle konnte nicht gefunden werden.**

Income taxes

Deferred taxes are formed on temporary differences between the valuations of assets and liabilities in accordance with IFRS and tax balance sheet and on realizable loss carryforwards. The calculation is based on the tax rates expected at the time of realization, which are valid at the balance sheet date or adopted by law.

Deferred tax assets on loss carryforwards have only been recognized to the extent that it is likely that future tax gains will arise that allow these loss carryforwards to be offset.

Changes in deferred taxes in the balance sheet generally lead to deferred tax expenses and income. To the extent that matters resulting in a change in deferred taxes are recognized directly against equity, the change in deferred taxes is also recognized directly in equity.

Leasing

The Group operates only as a lessee. The Group leases various assets, including real estate, IT equipment and vehicles.

When concluding a contract, the Group determines whether the contract is or contains a lease. A contract is or contains a lease if the contract transfers a right to use the asset (or assets) for a specified period of time in exchange for consideration. In order to assess whether a contract transfers the right to use an identified asset, the Group uses the definition of a lease in ACCORDANCE with IFRS 16.

When concluding or reassessing a contract containing a leasing component, the Group decided not to separate non-leasing components for all leases.

On the date of provision of the lease, the Group recognizes a right of use and a lease liability. The right of use is initially valued at acquisition cost. These are the initial amount of the lease liability, adjusted for any lease payments before or on the lease's make available date, plus any initial direct costs incurred and an estimate of the costs of mining, eliminating, or restoring the underlying asset or location where it is located and less any lease incentives received.

As planned, rights of use are amortized on a straight-line basis over the shorter of the two periods of maturity and expected useful life of the leases. The estimated useful lives of assets with rights of use are determined on the same basis as those of property, plant, and equipment. In addition, the right of use is continuously adjusted for impairments, if necessary, and adjusted for certain revaluations of the lease liability.

On the make available date, the lease liability is measured at the present value of the lease payments not yet made at that time, discounted at the interest rate underlying the lease or, if this rate cannot be readily determined, at the Group's marginal borrowing rate. In general, the Group uses its marginal borrowing rate as the discount rate.

The Group determines its marginal interest rate on the basis of an interest rate for medium-sized debtors available on the market at a premium for default risk.

The lease payments to be taken into account in the valuation of the lease liability are composed as follows:

- fixed payments, including de facto fixed payments;
- variable lease instalments linked to an index or (interest) rate, the initial valuation of which is based on the index or interest rate in force on the date of provision;
- Lease payments of an optional extension period if the Group is sufficiently certain that it will exercise the renewal option and penalties for early termination of the lease, unless the Group is sufficiently certain not to terminate prematurely.

The lease liability is measured at amortized cost using the effective interest method. A revaluation occurs when future lease payments change as a result of a change in the index or interest rate, or when the Group's estimate of the amount likely to be payable under a residual value guarantee changes, or when the Group changes its assessment of whether a call, renewal or termination option is exercised. If the lease liability is revalued, the carrying amount of the value in use is adjusted accordingly or the adjustment amount is recognized in the income statement if the carrying amount of the right of use has been reduced to zero.

In the balance sheet, the Group reports rights of use as separate balance sheet items in property, plant and equipment and lease liabilities as financial liabilities.

Short-term and low-value leases
The Group has decided not to recognize rights of use and lease liabilities for short-term leases with a maximum term of 12 months and for leases of low value (e.g., office equipment). The Group recognizes the lease payments associated with these leases as an expense in the income statement on a straight-line basis over the term of the lease.

A.4. Estimates and Judgements

The preparation of the consolidated financial statements requires that assumptions be made and estimates used that affect the amount and presentation of the assets and liabilities recognized in the balance sheet, income and expenses and contingent liabilities. The estimates are based on experience and other assumptions that are considered correct in the circumstances. Actual values may differ from estimates. The estimates and assumptions are continuously reviewed and, if necessary, adjusted.

The following key estimates and related assumptions, as well as the uncertainties associated with the accounting policies chosen, are critical to understanding the underlying risks of financial reporting and the impact that these estimates, assumptions, and uncertainties may have on the consolidated financial statements:

Revenue with customers
In some cases, the Group receives additional variable fees as performance fees for its services in the area of fund management. The performance fees are usually paid as a high-watermark or hurdle rate depending on the performance of the investment fund under management at the end of the year. In the High-Watermark form, an additional performance fee is only paid if the share price adjusted for distributions has reached a new high at the end of the year.

In the hurdle rate form, a performance fee is due when the share price, adjusted for distributions, exceeds a predetermined mark. In both forms, the payment of a performance fee depends on the development of the securities in the fund and may therefore also be subject to large fluctuations. Therefore, the Group waives the estimation of any performance fees, but only recognizes them on the day of their occurrence (end of the fund's accounting period).

Goodwill

The Group reviews annually and additionally if there is any indication as to whether an impairment of goodwill has occurred. For this purpose, the recoverable amount of the Cash Generating Unit must be estimated. This corresponds to the higher value of fair value less costs to sell and the value in use. The determination of the value in use involves making assumptions and estimates regarding the forecasting and discounting of future cash flows. Although management believes that the assumptions used to calculate the recoverable amount are reasonable, any unforeseeable changes in these assumptions could result in an impairment loss that could adversely affect the net assets, financial position, and results of operations.

The development of the global economy in 2021 was decisively shaped by the effects of the corona crisis. The ongoing impact of the corona pandemic has led to a significant deterioration in economic conditions and an increase in economic uncertainty for many companies in 2021. capsensixx, on the other hand, was unable to identify any significant effects that would have led to an impairment of goodwill. However, this assessment is subject to uncertainty. At this stage, it is not yet possible to make sufficiently reliable statements about how the economic recovery is progressing or what lasting structural effects the pandemic will have.

Impairment of property, plant and equipment and other intangible assets

At each balance sheet date, the capsensixx Group must assess whether there is any indication that the carrying amount of property, plant and equipment or other intangible assets could be impaired. In this case, the recoverable amount of the asset in question shall be estimated. The recoverable amount corresponds to the higher value of fair value less costs to sell and the value in use. In order to determine the value in use, the discounted future cash flows of the asset in question must be determined. The estimation of discounted future cash flow includes material assumptions, in particular those relating to future selling prices and sales volumes, costs and discount rates. Although management believes that the estimates of the relevant expected useful lives, the assumptions regarding the economic environment and the development of the industries in which the Group operates and the estimates of discounted future cash flows are reasonable, a change in assumptions or circumstances could necessitate a change in the analysis. This could result in additional impairments or reversals of impairment losses in the future if the trends identified by management reverse or if the assumptions and estimates prove to be incorrect.

The capsensixx could not detect any significant effects - also with regard to the corona pandemic - which would have to be regarded as an indicator of impairment.

Taxes on income and income

At each balance sheet date, the Group assesses whether the realizability of future tax benefits for the recognition of deferred tax assets is sufficiently likely. This requires management to assess, among other things, the tax benefits resulting from the available tax strategies and future taxable income, as well as to take into account other positive and negative factors. Reported deferred tax assets could decrease if estimates of projected tax income and tax benefits achievable through available tax strategies are reduced, or if changes in current tax legislation limit the time frame or scope of realizability of future tax benefits.

Legal risks

In some cases, the capsensixx group companies are parties to legal disputes. Management regularly analyzes the current information on these cases and makes provisions for probable obligations, including estimated legal costs. Internal and external lawyers are used for the assessment. When deciding on the need for a provision, management takes into account the likelihood of an unfavorable outcome and the possibility of estimating the amount of the obligation with sufficient reliability. The filing of an action or the formal assertion of a claim against capsensixx companies or the indication of a legal dispute in the notes does not automatically mean that a provision is appropriate for the risk in question.

Determination of fair value

A number of Group accounting policies and disclosures require the determination of fair values for financial assets and liabilities. Where market prices on active markets for financial instruments are quoted and published, they are used. A market is considered active when transactions for the asset or liability in question take place at a sufficient frequency and scale to ensure that price information is available on an ongoing basis. In the absence of quoted prices in an active market, the Group uses valuation techniques that maximize the use of relevant, observable inputs and minimize the use of non-observable input factors. The valuation technique used incorporates all factors that market participants would take into account when pricing such a transaction. The fair values on the basis of the market conditions existing at the balance sheet date (e.g., interest rates, foreign exchange rates, commodity prices) are calculated using the average exchange rates. The fair values are calculated using a recognized financial mathematical model (e.g., option pricing model, DCF method).

The Group has defined a control framework regarding the determination of fair values. Group Accounting has general responsibility for monitoring all material measurements at fair value, including level 3 fair values, and reports directly to the Executive Board.

Group Accounting conducts a regular review of the material, non-observable input factors and the valuation adjustments. When information from third parties, such as broker quotes or price information services, is used to determine fair values, group accounting reviews the evidence obtained from third parties to conclude that such measurements meet the requirements of IFRS, including the level in the fair value hierarchy to which those measurements are assigned.

Determination of the term of the leases

When determining the term of leases, management takes into account all facts and circumstances that provide an economic incentive to exercise renewal options or not to exercise termination options. Term changes resulting from the exercise of renewal or termination options will only be included in the contract term if an extension or non-exercise of a termination option is sufficiently certain.

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A.5. Changes in accounting policies and standards issues but not yet effective

Changes to accounting policies

Standard and changes	IASB effective date for annual reporting periods beginning on or after	EU Endorsement Status	Significant impact on the consolidated financial statements
Adjustments to IFRS 16: "COVID-19-Related Rent Concessions"	1 June 2020/1 April 2021	Confirmed	No
Reform of Reference Interest Rates Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	January 1, 2021	Confirmed	No

Changes to the standards have no material impact on the consolidated financial statements of capsensixx.

Published standards whose application is not yet mandatory

Standard and changes	IASB effective date for annual reporting periods beginning on or after	EU Endorsement Status	Expected material impact on the consolidated financial statements
Adjustment to IAS 16: Property, plant, and equipment - Proceeds before intended use	January 1, 2022	Not yet confirmed	No
Adjustments to IAS 37: Onerous contracts	January 1, 2022	Not yet confirmed	No
Adjustments to IFRS 3: Adjustments of the Cross-References to the framework in IFRS standards	January 1, 2022	Not yet confirmed	No
Adjustments to IFRS 9: Fees in the 10% present value test before derecognition of financial liabilities	January 1, 2022	Not yet confirmed	No
Adjustments to IFRS 1: Cumulative Translation Differences	January 1, 2022	Not yet confirmed	No

Adjustments to IAS 41: Taxation of fair value measurements	January 1, 2022	Not yet confirmed	No
Adjustments to IAS 1: Classification of liabilities as current or non-current	January 1, 2023	Not yet confirmed	No
Alignment with IFRS 17: Insurance Contracts	January 1, 2023	Not yet confirmed	No
Adjustments to IAS 1 and IFRS Practice Statement 2: Disclosure of accounting policies	January 1, 2023	Not yet confirmed	No
Adjustments to IAS 8: Definition of accounting estimates	January 1, 2023	Not yet confirmed	No
Adjustments to IAS 12: Deferred taxes from transactions that incur taxable and deductible temporary differences of the same amount upon initial recognition	January 1, 2023	Not yet confirmed	No
Adjustments to IFRS 10 and IAS 28: Disposals of an investor's assets to or contribution to its associate or joint venture	n/a	Not yet confirmed	No

Capsensixx does not expect the changes to have a material impact on its consolidated financial statements.

B. Explanatory Notes to the Profit and Loss Account

B.1. Commission income

Commission income is generated exclusively from contracts with clients and results primarily from services in the Funds Management, Administration & Accounting and Capital Markets & Corporate Services segments.

Commission income is broken down by segment as follows:

2021 *in € thousand*	**Fund management**	**Securitization**	**Consolidation**	**Total**
Fund Administration	163,444	-	-	163,444
Central Administration	5,290	-	-	5,290
Register and Transfer Agent	576	-	-	576
Inventory brokerage	1,224	82	-	1,307
Assessment Body	-	3,940	-	3,940
Other	4,264	1,141	-16	5,389
Total commission income	**174,798**	**5,163**	**-16**	**179,945**
Timing of revenue recognition				
Goods transferred at a specific time	-	-	-	-
Services transferred over time	174,798	5,163	-16	179,945
Total commission income	**174,798**	**5,163**	**-16**	**179,945**
Geographic Markets				
Germany	-	4,059	-	4,059
Luxembourg	174,798	1,104	-16	175,886
Total commission income	**174,798**	**5,163**	**-16**	**179,945**
Income				
With third parties	174,798	5,163	-16	179,945
Segment-internal	2,396	163	-2,559	-
Total commission income	**177,194**	**5,326**	**-2,575**	**179,945**

In the previous year, commission income by segment was broken down as follows:

2020 *in € thousand*	Fund management	Securitization	Consolidation	Total
Fund Administration	95,940	-	-14	95,925
Central Administration	5,679	-	-827	4,852
Register and Transfer Agent	563	-	-36	528
Inventory brokerage	1,249	32	-	1,282
Evaluation office	-	3,982	-	3,982
Ongoing support and administration of securitization companies	-	1,427	-	1,427
Other	2,619	14	-320	2,314
Total commission income	**106,051**	**5,455**	**-1,197**	**110,309**
Timing of revenue recognition				
Goods transferred at a specific time	-	-	-	-
Services transferred over time	106,051	5,455	-1,197	110,309
Total commission income	**106,051**	**5,455**	**-1,197**	**110,309**
Geographical markets				
Germany	-	4,015	-	4,015
Luxembourg	106,051	1,440	-1,197	106,294
Total commission income	**106,051**	**5,455**	**-1,197**	**110,309**
Commission income				
External clients	106,051	5,455	-1,197	110,309
Other segments	1,007	160	-1,167	-
Total commission income	**107,058**	**5,615**	**-2,365**	**110,309**

B.2. Commission expenses

The commission expense in 2021 amounts to € 153,415 thousand (2020: € 86,139 thousand) and mainly includes performance fees of € 71,226 thousand (2019: € 19,830 thousand), asset management fees for external portfolio managers in the amount of € 68,042 thousand (2020: € 55,390 thousand) and commissions of € 12,479 thousand (2020: € 10,892 thousand).

B.3. Other operating income

Other operating income is composed as follows:

in € thousand	2021	2020
Income from fees	-	599
Income from benefits in kind	79	88
Rental income	6	9
Insurance compensation	9	-
Other	40	64
Other operating income	**134**	**759**

B.4. Financial result

in € thousand	2021	2020
Interest income	698	275
Income from the valuation of the receivable from the sale of coraixx	-	75
Income from the sale of securities	438	144
Income from the valuation of securities	164	31
Other	27	318
Financial income	**1,327**	**843**
Interest expense	-9	-13
Interest expense leasing	-37	-50
Expenses from the sale of securities	-66	-221
Expenses from the valuation of securities	-263	-228
Other	-14	-5
Financial expenses	**-389**	**-517**
Financial result	**937**	**326**

B.5. Personnel expenses

Personnel costs amounted to € 10,702 thousand in 2021 (previous year: € 10,215 thousand). In the financial year, the Group recognised expenses from contributions from defined contribution plans in the form of payments to the statutory pension insurance in the amount of € 871 thousand (previous year: € 149 thousand).

in € thousand	**2021**	**2020**
Wages and salaries	8,591	8,287
Social security contributions	2,111	1,928
Personnel expenses	**10,702**	**10,215**

B.6. Other administrative expenses

Other administrative expenses are as follows:

in € thousand	**2021**	**2020**
Fund administration costs	1,624	1,589
Communication, office supplies	1,360	1,312
Occupancy costs	761	690
Closing, auditing and legal consulting	1,184	1,167
Advertising costs, public relations	626	539
Payments to Bloomberg	307	490
Travel expenses, vehicle costs	58	28
Insurance, contributions	220	223
Other personnel-related costs	100	131
Non-deductible input tax	-	7
Value adjustments Receivables LuL	50	134
Loss from sale WuV - One Earth Fund (formerly Axxion Revolution Fund-One)	25	-
Other	411	277
Other administrative expenses	**6,726**	**6,589**

In December 2021, all shares in the WuV - One Earth Fund (formerly Axxion Revolution Fund) were sold for a purchase price of EUR 979 thousand. The loss of control of the WuV - One Earth Fund resulted in a loss of EUR 25 thousand.

B.7. Depreciation and Amortization

Depreciation is composed as follows:

in € thousand	2021	2020
Amortization of intangible assets	343	810
Depreciation of property, plant, and equipment	270	243
Amortization of right-of-use assets (IFRS 16)	854	900
Total	**1,467**	**1,952**

B.8. Income taxes

in € thousand	2021	2020
Actual taxes	**2,468**	**1,915**
Taxes for the current year	2,522	1,913
Taxes for previous years	-54	2
Deferred taxes	-10	-62
Income tax expense	**2,458**	**1,853**

For the calculation of current taxes in Germany, a uniform corporate tax rate of 15.00% (previous year: 15.00%) is applied to distributed and retained profits and a solidarity rate of 5.50% (previous year: 5.50%). In addition to corporation tax, trade tax is levied on profits made in Germany. The trade tax is set and levied on the basis of the tax measurement amount with a percentage (levy rate), which is to be determined by the municipality.

For the 2021 financial year, the trade tax rate for the city of Frankfurt am Main is 460.00%. Taking into account the non-deductibility of trade tax as an operating expense, the tax rate for trade tax is 16.10% (previous year: 16.10%), resulting in a total domestic tax rate of around 32% (previous year: 32%).

Reconciliation between the tax expense (tax income) and the product of the balance sheet result before taxes and the applicable tax rate

The following table shows the relationship between the income taxes derived from earnings before taxes and the income taxes reported in the income statement (reconciliation).

in € thousand	2021	2020
Income before income taxes from continuing operations	**8,707**	**6,499**
Expected tax expense	2,780	2,075
Tax effect from non-deductible expenses	264	238
Deviating tax rates of foreign subsidiaries	-427	-371
Other effects	-104	-91
Income taxes current year	**2,512**	**1,851**
Tax refund previous years	-54	2
Income taxes	**2,458**	**1,853**

Tax losses

As of the balance sheet date, no deferred tax assets were recognized on tax loss carryforwards. As of the balance sheet date, there were corporate and trade tax losses for which no deferred tax asset had been capitalized. Of this amount, € 2,704 thousand (previous year: € 2,556 thousand) and trade tax loss carryforwards accounted for € 2,670 thousand (previous year: € 2,518 thousand). The tax losses can be carried forward indefinitely.

In € thousand	2021	2020
Deffered tax liability from valuation differences of securities	17	34
Total deferred tax liabilities	**17**	**34**

B.9. Earnings per share

Net income attributable to shareholders in 2021 amounted to € 3,004 thousand (previous year: € 2,254 thousand). In 2021, the weighted average number of shares outstanding was 3,188,000 (previous year: 3,423,000). The year-on-year change resulted from the acquisition of 130,000 treasury shares in March 2021 and the acquisition of 80,000 treasury shares in December 2021. In the fiscal year and in the comparative period, there are no positions that have a dilutive effect on the calculation of earnings per share.

	01.01.2021-31.12.2021	01.01.2020-31.12.2020
Profit/loss for the period (share attributable to shareholders) (in € thousand)	3,004	2,254
Weighted average number of common shares outstanding (shares in T)	3,188	3,423
Adjusted weighted average number of common shares outstanding (in T)	**3,188**	**3,423**
Basic earnings per share (in €)	**0.94**	**0.66**
Diluted earnings per share (in €)	**0.94**	**0.66**

Cpx will not pay a dividend for the 2021 financial year.

C. Notes to the Balance Sheet

C.1. Intangible Assets

	Acquisition and production costs				
in € thousand	Gross value 01.01.2021	Reclassification	Addition	Disposals	Carrying amount 31.12.2021
Goodwill	587	-	-	-	**587**
IT Software	4,808	-	141	-111	**4,837**
Advanced payments	42	-42	-	-	**-**
Total	**5,437**	**-42**	**141**	**-111**	**5,425**

	Depreciation				
in € thousand	Carry forward 01.01.2021	Reclassification	Depreciation	Gross value 31.12.2021	Carrying amount 31.12.2021
Goodwill	-	-	-	**-**	**587**
IT Software	3,959	343	-104	**4,198**	**639**
Advance payments	-	-	-	**-**	
Total	**3,959**	**343**	**-104**	**4,198**	**1,227**

	Acquisition and production costs				
in € thousand	Gross value 01.01.2020	Reclassification	Addition	Disposals	Carrying amount 31.12.2020
Goodwill	587	-	-	-	**587**
IT Software	3,919	462	427	-	**4,808**
Advance payments	464	-462	66	-27	**42**
Total	**4,971**	**-**	**493**	**-27**	**5,437**

in € thousand	Depreciation: Carry forward 01.01.2020	Depreciation: Depreciation	Depreciation: Disposal	Depreciation: Gross value 31.12.2020	Carrying amount 31.12.2020
Goodwill	-	-	-	**-**	**587**
IT Software	3,148	1	810	**3,959**	**848**
Advance payments	-	-	-	**-**	**42**
Total	**3,148**	**1**	**810**	**3,959**	**1,477**

The acquisition of Oaklet GmbH resulted in goodwill of € 544 thousand. The acquisition of Oaklet S.A. from Oaklet GmbH on July 1, 2015, resulted in goodwill in the amount of € 44 thousand.

Goodwill is allocated to the Securitization segment:

Cash Generating Unit in € thousand	**31.12.2021**	**31.12.2020**
Oaklet GmbH, Frankfurt am Main	587	587
Total	**587**	**587**

The recoverable amount of this CGU is generally determined by determining the values in use using the discounted cash flow method. The planned cash flows from the bottom-up three-year plan of the CGU approved by the management of capsensixx are used. Cash flows beyond the three-year period are generally determined on the basis of the last plan year. For the perpetual annuity, the cash flows generated are discounted taking into account a growth discount of 1.0% (previous year: 1.0%). The total cost of capital used for discounting is based on the risk-free interest rate of 0.10% (previous year: 0.00%), on risk premiums for equity of 8.00 percentage points (previous year: 7.00%) and for debt capital of 1.03% (previous year: 0.81%). In addition, a beta factor of 0.83 (previous year: 1.09) derived from the respective peer group is taken into account individually for the CGU as well as the capital structure of the peer group.

A weighted cost of capital (WACC) of 6.81% (previous year: 7.63%) was used for the CGU to discount cash flows.

When determining the recoverable amount of the respective CGU, the value in use was taken into account. Both historical data and the expected market performance were used to determine them.

The main assumptions are based on a combination of internal and external sources (in particular external market studies). The main assumptions are based on estimates made by the Executive Board and are as follows:

- Constant to slightly increasing customer volumes with constant margins
- Almost constant costs, as the planned increasing customer volumes can be handled with the existing resources
- Uncertainties regarding the regulatory environment and its potential impact are not foreseeable at this stage and are not anticipated
- Uncertainties regarding fluctuation and loss of employees in key positions in certain sectors

No impairment losses on goodwill were made in the 2021 financial year. The management of capsensixx assumes for this CGU that a possible change in a material assumption, which was the basis for determining the recoverable amount, would not result in the carrying amount of the CGU exceeding the respective recoverable amount. In addition, no significant facts were identified in the context of the corona pandemic that would have to be regarded as a triggering event for an impairment.

Deposits

Down payments were made for the purchase and external development of software licenses for a reporting tool as well as for archiving software and the implementation of this software in the existing software environment. See the investment statement for the development of the carrying amounts of other intangible assets.

C.2. Property, plant, and equipment

As of December 31, 2021, property, plant, and equipment mainly includes the rights of use from leasing contracts in the amount of € 5,836 thousand (previous year: € 1,723 thousand), operating and office equipment in the amount of € 333 thousand (previous year: € 325 thousand) and installations in third-party land in the amount of € 119 thousand (previous year: € 135 thousand).

in € thousand	Gross value 01.01.2021	Reclassification	Addition	Disposals	Gross value 31.12.2021
	Acquisition and production costs				
Operating and office equipment	1,936	2	298	-183	**2,052**
Installations in third-party properties	1,209	40	27	-	**1,276**
Values in use from leasing	3,536	-	4,967	-303	**8,200**
Total	**6,681**	**42**	**5,292**	**-486**	**11,528**

in € thousand	Carry forward 01.01.2021	Reclassification	Addition	Depreciation	Gross value 31.12.2021	Carrying amount 31.12.2021
	Depreciation					
Operating and office equipment	1,611	-	187	-81	**1,716**	**336**
Installations in third-party properties	1,073	-	84	-	**1,157**	**119**
Values in use from leasing	1,813	-	854	-303	**2,364**	**5,836**
Total	**4,497**	**-**	**1,125**	**-384**	**5,237**	**6,291**

in € thousand	Gross value 01.01.2020	Reclassification	Addition	Gross value 31.12.2020
	Acquisition and production costs			
Operating and office equipment	1,715	0	221	**1,936**
Installations in third-party properties	1,209	-	-	**1,209**
Values in use from leasing	3,750	-428	214	**3,536**
Total	**6,673**	**-428**	**436**	**6,681**

in € thousand	Carry forward 01.01.2020	Depreciation	Disposal	Gross value 31.12.2020	Carrying amount 31.12.2020
	Depreciation				
Operating and office equipment	1,435	-	176	**1,611**	**325**
Installations in third-party properties	1,008	-	66	**1,073**	**135**
Values in use from leasing	1,017	-104	900	**1,813**	**1,723**
Total	**3,460**	**-104**	**1,141**	**4,497**	**2,184**

C.3. Non-current financial assets

in € thousand	**31.12.2021**	**31.12.2020**
Purchase price receivable coraixx	1,730	1,730
Loan UF Beteiligungs UG	168	168
Rental deposits	214	188
Other	17	17
Non-current financial assets	**2,130**	**2,103**

The purchase price receivable arose as part of the sale of coraixx in December 2019 and was measured at fair value. The receivable was issued in the form of a long-term loan to the acquirer. The loan with a nominal volume of € 1,750 thousand, which was valued at 1,730 due to the fair value of the money, is secured by first-class pledging of company shares. The loan is due on January 1, 2023. In 2021, no repayments (previous year: none) were made by the buyer on the loan. Due to the current interest rate environment, there is no discounting of the receivable.

The loan to UF Beteiligungs UG, Frankfurt am Main, matures on 31 January 2023 and was granted for the acquisition of Oaklet shares to non-controlling shareholders in 2014 and 2016. Details of the financial instruments can be found in Section D.3. can be removed.

C.4. Trade receivables

As of 31.12.2021, trade receivables amounted to € 72,087 thousand (previous year: € 28,453 thousand). Trade receivables are non-interest-bearing. All receivables have a term of up to one year (as in the previous year). There are no substantial, overdue claims. In the year under review, the company incurred bad debts of € 50 thousand (previous year: € 134 thousand). Based on the age structure of receivables and past experience, the Company does not anticipate any further bad debts at the balance sheet date. Details on credit risk can be found in Note D.3. can be removed.

C.5. Financial instruments and other financial assets

in € thousand	**31.12.2021**	**31.12.2020**

Investment fund units	884	4,000
Profit participation right	1,936	1,255
Certificates	409	343
Other	1	1
Financial instruments and other financial assets	**3,231**	**5,600**

Listed investment fund units and certificates are reported under this item in 2021 in the amount of € 1,295 thousand (previous year: € 4,344 thousand).

Securities of € 1,936 thousand (previous year: € 1,255 thousand) are a profit participation right that is not traded on a stock exchange. As in the previous year, there were no securities in foreign currencies as of the balance sheet date.

C.6. Other non-financial assets

Other assets mainly include receivables from disbursed costs, tax receivables and deferred income.

C.7. Cash and cash equivalents

The item includes deposits with credit institutions in the amount of € 13,610 thousand (previous year: € 8,773 thousand), which are due on a daily basis. Amounts of € 103 thousand (previous year: € 5 thousand) are attributable to a USD bank account.

C.8. Equity

With its capital management, capsensixx pursues the goal of sustainably strengthening its equity base and generating an appropriate return on capital employed. However, the Group's accounting equity only acts as a passive management criterion in this regard, while EBITDA is used as an active management parameter.

The composition of equity and the development of the equity components as well as the number of shares in circulation of the capsensixx Group are presented in the statement of changes in equity.

The share capital as of December 31, 2021 amounts to € 3,430,000 (previous year: € 3,430,000) and is divided into 3,430,000 (previous year: 3,430,000) no-par value shares of € 1.00 each.

The company acquired 210,000 treasury shares in the financial year. As of 31.12.2021, it holds a total of 340,000 treasury shares (at an acquisition cost of k€ 4,798). The treasury shares amount to a total of 9.91 percent of the capital stock. As of 31.12.2021, the market value of treasury shares amounted to k€ 5,440 (previous year: k€ 1,668).

Authorized Capital

In accordance with the resolution of the Annual General Meeting on March 28, 2018, the Executive Board was authorized, with the approval of the Supervisory Board, to increase the share capital by up to a total of €1,550,000 by March 20, 2023 in return for cash contributions and/or contributions in kind. In 2020, the Executive Board did not make use of the authorization granted to it to increase the share capital. As of the reporting date, authorized capital within the meaning of Section 160 (1) no. 4 AktG therefore remained in the total amount of € 1,220,000.

C.9. Non-current lease liabilities

Non-current lease liabilities amount to € 5,005 thousand (previous year: € 917 thousand). Current lease liabilities amount to € 861 thousand (previous year: € 833 thousand).

C.10. Non-current provisions

The item comprises non-current provisions of € 427 thousand (previous year: € 3 thousand) from fund management risks and from the retention obligation.

in € thousand	**Risks from fund management**	**Obligation to provide maintenance**	**Total**
01.01.2021	-	-	-
Feed	424	3	427
31.12.2021	**424**	**3**	**427**

short-term	-	-	-
long-term	424	3	427
Total	**424**	**3**	**427**

Risks from fund management

For a large number of managed funds, Axxion performs the function of asset manager. The main and immediate risk arising from this activity results from non-compliance with legal or prospective investment limits and from errors in the placing of orders. These can be triggered by human error, incorrect master data in the data budget, the supply of incorrect data used for audit purposes, or the failure of audit systems or a combination of these factors. Due to the often large order volumes, high losses can arise in a short time, depending on the price change of the underlying investment targets.

Hold

The provision contains obligations for the storage of supporting documents, commercial letters and books as well as annual financial statements or the documentation of certain transactions.

C.11. Tax liabilities

The balance sheet item includes current income tax liabilities in the amount of € 649 thousand (previous year: € 392 thousand).

C.12. Trade accounts payables

Trade payables amounted to € 70,582 thousand on 31.12.2021 (previous year: € 26,309 thousand). All trade payables are due within 3 months.

C.13. Other non-financial assets

The liabilities are composed as follows:

in € thousand	**31.12.2021**	**31.12.2020**
Liabilities from wages and salaries, payroll and church tax, and social security contributions	433	430

Sales tax liabilities	98	155
Accrued liabilities for:		
Royalties	430	340
Outstanding invoices	203	338
Annual financial statements and audit costs	310	253
Outstanding leave and other personnel costs	666	789
Other	-	3
Other current liabilities	**2,140**	**2,308**

in € thousand	**31.12.2021**	**31.12.2020**
short-term	2,140	2,305
long-term	-	3
Total	**2,140**	**2,308**

C.14. Deferred taxes

Composition of deferred tax assets in the balance sheet for each type of temporary difference:

in € thousand	**31.12.2021**	**31.12.2020**
Leasing	1,595	476
Deferred tax assets (before balancing)	**1,595**	**476**
Balancing	-1,595	-469
Deferred tax assets (after balancing)	**-**	**7**

The changes in deferred taxes were recognized in profit or loss in the year under review and in the previous year.

<u>Deferred tax liabilities</u>

Composition of deferred tax liabilities in the balance sheet for each type of temporary difference:

in € thousand	**31.12.2021**	**31.12.2020**
Rights of use	1,587	503
Financial instruments	26	
Deferred tax liabilities (before balancing)	**1,613**	**503**
Balancing	-1,595	-469
Deferred tax liabilities (after balancing)	**18**	**34**

D. Other information

D.1. Employees

On average, 106 employees were employed in the financial year, compared to 90 in the previous year. These are divided into groups as follows:

	31.12.2021	31.12.2020
Average number of employees	**106**	**90**
Of which in the segments		
Fund management	83	76
Securitization	23	14

Functions in the Fund Administration segment	31.12.2021	31.12.2020
Front Office	12	14
Back Office	71	62
Total	**83**	**76**

Functions in the Securitizations segment	31.12.2021	31.12.2020
Front Office	2	-
Back Office	21	14
Total	**23**	**14**

D.2. Contingent liabilities, other financial commitments, and transactions not included in the balance sheet

At the beginning of December 2019, the company was sued by two bondholders in Luxembourg for damages for loss of value. The case was settled in 2020. There are therefore no material other financial obligations.

D.3. Financial instruments

Disclosures on fair value and measurement categories

The table below shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. Trade receivables and other non-material financial receivables and other trade payables are measured at amortized cost and are not included in the following table. Their carrying amount is an appropriate approximation of the fair value. It also does not include information on the fair value of lease liabilities.

31.12.2020			**Fair value**			
in € thousand	**Category**	**Book value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-current financial assets						
Purchase price receivable coraixx	*AC*	1,730			1,730	1,730
Loan UF Beteiligungs UG	*AC*	168		168		168
Current financial assets						
Securities						
Investment fund shares	*FVTPL*	4,000	4,000			4,000
Profit participation rights	*FVTPL*	1,255		1,255		1,255
Certificates	*FVTPL*	343	343			343

31.12.2021			**Fair value**			
in € thousand		**Book value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-current financial assets						
Purchase price reveivable coraixx	*AC*	1,730			1,730	1,730
Loan UF Beteiligungs UG	*AC*	168		168		168
Current financial assets						
Securities						
Investment fund shares	*FVTPL*	884	884			884
Profit participation rights	*FVTPL*	1,936		1,936		1,936
Certificates	*FVTPL*	409	409			409

The financial instrument in stage 2 comprises profit participation rights in an investment company.

The profit participation rights include investments under the law of obligations and are valued on the basis of the expected distributions.

The fair value of coraixx's purchase price receivable is calculated on the basis of level 3 input factors. Due to the current interest rate and the short remaining term of the receivable, discounting with a risk- and maturity-appropriate interest rate on the basis of the agreed receipt of payment was waived. The claim is sufficiently secured (mainly by pledging shares); a total or partial loss of the claim is not to be expected. As of 31.12.2021, the fair value corresponds to the carrying amount. Any contingent consideration received in connection with the sale of coraixx is measured at fair value through profit or loss on the basis of level 3 input factors. The contingent consideration is paid if the company generates a balance sheet profit after the sale. Due to existing uncertainty regarding the amount of retained earnings, the recognition of a receivable was waived.

There were no reclassifications between levels 1 and 2 in the year under review and in the previous year.

Net gains and losses

The capsensixx Group generated the following net gains and losses on financial assets and liabilities:

in € thousand	**2021**	**2020**
Financial assets measured at fair value through profit or loss	968	312
Financial assets measured at amortized cost	-50	-134
Total	**918**	**177**

Changes in liabilities from financing activities

The following changes in liabilities from financing activities have occurred:

in € thousand	01.01.2021	Amortization	Addition	Disposal	Reclassification	31.12.2021
Leasing liabilities						
Thereof current lease liabilities	833	-855	56	-	826	861
Thereof long-term lease liabilities	917	-	4,915	-	-826	5,005
Total	**1,750**	**-855**	**4,971**	**-**	**-**	**5,866**

in € thousand	01.01.2020	Amortization	Addition	Disposal	Reclassification	31.12.2020
Leasing liabilities						
Thereof short-term leasing liabilities	977	-889	175	-230	800	833
Thereof long-term leasing liabilities	1,786			-69	-800	917
Total	**2,763**	**-889**	**175**	**-299**	**-**	**1,750**

The Group classifies interest paid in connection with lease liabilities as cash flows from operating activities.

Capital risk management

The capsensixx Group manages its capital (equity plus cash and cash equivalents and short-term trade receivables less liabilities) with the aim of ensuring the Group's continuing viability and maintaining an optimal capital structure while optimizing financing costs. The overall strategy in this regard is unchanged compared to the previous year. Management reviews the capital structure on a monthly basis.

The development is as follows:

in € thousand	**31.12.2021**	**31.12.2020**
Book equity	20,613	19,456
+ Liquidity accounts	13,610	8,773
+ Trade accounts receivables	72,087	28,453
./. current liabilities	-74,234	-29,840
Total	**32,075**	**26,841**

The company regards the bank balances due on a daily basis as cash and cash equivalents. Liabilities take into account all short-term liabilities.

Financial risk management

The capsensixx Group is subject to the following financial risks, which are managed in detail as follows:

<u>Liquidity risk</u>

Liquidity risk is the risk that the Group may not be able to meet its financial liabilities in accordance with the contract by supplying cash or other financial assets. The Group manages liquidity risks by holding appropriate reserves, monitoring, and maintaining credit agreements, and planning and coordinating cash inflows and outflows.

Since the financial obligations of capsensixx from current business activities are to be settled at short notice, it is of central importance for capsensixx to have sufficient liquidity at all times in order to be able to meet its financial obligations at any time.

Capsensixx counters the liquidity risk through timely invoicing, regular monitoring and valuation of outstanding receivables, including the execution of dunning. The Executive Board uses liquidity planning to determine the expected long-, medium- and short-term liquidity requirements. Possible concentrations are identified and limited by sufficient diversification of funding sources and liquidity buffers. Management expects the Group to be able to meet its financial obligations from operating cash flows and from the inflow of maturing financial assets.
The remaining contractual terms of the financial liabilities as of 31.12.2021 are listed below:

31.12.2021	0-6 months	6 months to 1 year	1-5 years	> 5 years	Total
Financial liabilities					
Lease liabilities	467	463	3,243	1,969	6,142
Trade accounts payable	70,582	-	-	-	70,582
Total	**71,049**	**463**	**3,243**	**1,969**	**76,724**

The remaining contractual terms of the financial liabilities as of 31.12.2020 are listed below:

31.12.2020	0-6 months	6 months to 1 year	1-5 years	> 5 years	Total
Financial liabilities					
Lease liabilities	448	418	932	-	1,798
Trade accounts payable	26,309	-	-	-	26,309
Total	**26,757**	**418**	**932**	**-**	**28,107**

Credit risk/address default risk

The credit risk or the address default risk of capsensixx consists in the fact that financial damage could be inflicted on it if a debtor does not or does not fully meet his payment obligations. These financial instruments, for which the debtor could in principle default, are included in the balance sheet item cash and cash equivalents in the form of cash and demand deposits, trade receivables and other securities, and current and long-term financial receivables. The carrying amounts of the financial assets correspond to the maximum default risk.

In accordance with the provisions of IFRS 9, value adjustments in the amount of the expected credit losses for financial instruments measured at amortized cost must be recognized.

Cash and cash equivalents take the form of overnight cash and demand deposits with German and Luxembourg banks. These are secured by a deposit guarantee fund, which is why risk provisioning is not required.

Value adjustments on trade receivables are calculated on the basis of a value adjustment matrix as described in Section A.3. described, calculated. Taking into account materiality, education could be avoided in 2021 and 2020. The Group does not hold any collateral for these open items.

Loans granted to UF Beteiligungs UG included in other receivables are secured by pledging securities and shares. Credit losses are not expected. The purchase price claim of coraixx is also secured by pledging shares. The formation of an expected loss is therefore waived overall due to materiality.

Concentrations of risks are avoided by the Company making risk assessments for its business partners and setting address limits for products, terms of engagement and other factors that must not be exceeded.

Market risks

Market risks can generally consist of exchange rate risks, interest rate risks or other price risks.

There are no significant country risks, as claims are mainly limited to addresses located in the Federal Republic of Germany and the Grand Duchy of Luxembourg. The Group is therefore only exposed to extremely limited currency risks.

For the Group, the main market risk is that financial assets do not lead to cash inflows in the expected amount due to changes in market prices. The aim of market risk management is to manage and control market risk within acceptable ranges. It is controlled by continuous monitoring of treasury and monthly reporting to management. Due to the low relevance of these risks for the Group, they have not yet been hedged by derivative financial instruments.
The Company is subject to the risk of fluctuating stock market prices. Falling stock market prices tend to result in declining customer receivables, as the commission income generated by the company is usually dependent on the volume under management. This, in turn, is influenced by falling stock market prices.

In addition, if stock market prices fall, the fair values of the securities and profit participation rights held by the company will also decrease. As a countervailing effect to the declining commission income, the commission expenses to be paid by the company decrease, as these are also dependent on stock market prices.

As of 31.12.2021, cpx had assets under management (AuM) of €12.1 billion (previous year: €9 billion). This currently results in net commission income of € 26,531 thousand (previous year: € 24,170 thousand), which corresponds to a net margin of 0.22 % (previous year: 0.27 %). If AuM were to change by 10% in the future as a result of price changes, this would affect net commission income of € 2,653 thousand. An increase / decrease in stock market prices of 10% would have an impact on the Group's earnings and equity in the amount of € thousand + € 129 / thousand - € - 129 (previous year: € thousand + € 434 / thousand - € 434).

D.4. Leasing

Amounts recognized in the balance sheet

in € thousand	**31.12.2021**	**31.12.2020**
Rights of use		
Thereof space and pitch	5,641	1,490
Thereof motor vehicle	202	233
Total usage of rights	**5,843**	**1,723**

The additions to rights of use in 2021 amounted to € 4,967 thousand.

in € thousand	**31.12.2021**	**31.12.2020**
Leasing liabilities		
Thereof current lease liabilities	861	833
Thereof long-term leasing liabilities	5,005	917
Total lease liabilities	**5,866**	**1,750**

Amounts recognized in the income statement

in € thousand	**2021**	**2020**
Depreciation for rights of use		
Land and building	755	766
IT equipment	-	30
Motor vehicles	99	104
Total depreciation and amortization	**854**	**900**
Interest expense		
Interest expense on lease liabilities	37	50
Expenses for short-term leases	-13	-
Amounts recognized in the income statement	**25**	**50**
Total	**879**	**949**

Total cash outflows from leases amounted to € 892 thousand in 2021 (previous year: € 938 thousand).

D.5. Relationships with related parties

The parent company of capsensixx is PEH Wertpapier AG. Capsensixx is included in the consolidated financial statements of PEH Wertpapier AG, which at the same time forms the largest and smallest group of companies to which the company belongs as a subsidiary.

Related Parties

We maintain business relationships within the Group with related parties. As part of these business relationships, we offer the same services that we generally provide to our customers. All of these transactions are concluded under customary third-party conditions. Transactions that have been concluded under conditions that are not customary in the market are not available.

Key management members hold positions in other companies as a result of which they have control over or significant influence over the financial and business policies of those companies.

	Values of business transactions	
in € thousand	**2021**	**2020**
PEH Wertpapier AG	**1,178**	**904**
Transfer of business premises	58	44
Expenses for issue premiums, portfolio brokerage fees, fund management services, and liability umbrella fees	1,120	860
PEH Wertpapier AG Austria	**-**	**6**
Expenses for audit services	-	6
Total	**1,178**	**910**

	Values of business transactions	
in € thousand	**2021**	**2020**
PEH Wertpapier AG	**330**	**365**
Income from inventory brokerage	252	55
Other services	2	24
Outsourcing of costs	-	211
Income from IT services	76	75

PEH Vermögensmanagement GmbH	**95**	**87**
Income from IT services	89	87
Other services	5	-
PEH Wertpapier AG Austria	**5**	**6**
Compliance activities	5	6
Svea Kuschel + colleagues	**2**	**-**
Income from IT services	2	-
Total	**432**	**457**

Loan to UF Beteiligungs UG (haftungsbeschränkt), Frankfurt am Main

UF Beteiligungs UG is a related party to PEH, as Mr. Sven Ulbrich was on the Management Board of PEH (until 12.12.2019) and Mr. Föhre was a shareholder on the Management Board of capsensixx AG (until 12.10.2020) and both are shareholders of UF Beteiligungs UG.

a) In accordance with the notarial purchase and assignment agreements of 29.12.2014 and 28.12.2016, UF Beteiligungs UG (haftungsbeschränkt) acquired shares in Oaklet GmbH with a total nominal amount of € 1,250 with effect from 01.01.2017 and at a purchase price of € 107 thousand.

b) In order to finance the company shares mentioned under a), the loan granted to UF Beteiligungs UG (haftungsbeschränkt) and existing since 2014 was increased by € 107 thousand to € 776 thousand. The loan must be repaid by 31.01.2023 at the latest. As in the previous year, the loan was valued at € 168 thousand as of 31.12.2021.

c) In order to secure the loan claims mentioned under a), UF Beteiligungs UG (haftungsbeschränkt) pledged company shares in Oaklet GmbH with a nominal value of € 9,050 as the pledger.

(d) The interest rate p.a. shall be 1,75 %. The interest calculated and received amounts to € 3 thousand in the financial year (previous year: € 5 thousand).

Supervisory board

The Supervisory Board consists of the following members:

Rudolf Locker, Schmitten, auditor, tax consultant, chairman and independent financial expert (Chairman of the Supervisory Board: btu beraterpartner Holding AG Steuerberatungsgesellschaft, Oberursel; PEH Wertpapier AG, Frankfurt am Main; Member of the Supervisory Board of PEH Wertpapier AG Austria, Vienna).

Gregor Langer, Kelkheim, businessman, Deputy Chairman (Deputy Chairman of the Supervisory Board: PEH Wertpapier AG, Frankfurt am Main; PEH Wertpapier AG, Austria).

Prof. Dr. Hermann Wagner, Frankfurt am Main, auditor, tax consultant (from October 2020) (Supervisory Board: Aareal Bank AG, Wiesbaden, Squadra Immobilien GmbH & Co. KGaA, Frankfurt am Main, Consus Real Estate AG, Berlin).
In 2021, remuneration for the Supervisory Board in the amount of € 48 thousand (previous year: € 32 thousand) was paid.

Management Board

Martin Stürner, Frankfurt am Main, businessman, chairman, authorized to represent individually. (Chairman of the Board of Directors of Axxion S.A., Grevenmacher, Luxembourg; Chairman of the Supervisory Board: Axxion Deutschland Investmentaktiengesellschaft mit Teilgesellschaftsvermögen, Frankfurt am Main).

The active members of the Management Board of capsensixx received short-term benefits in the amount of € 0 thousand (previous year: € 17 thousand) to fulfil their duties in capsensixx.

Voting rights
As of 31.12.2021, the following voting rights exist:

Name/Company	Voting rights		
	Directly held	Attribution	Total
PEH Wertpapier AG, Frankfurt am Main	88.79%		88.79%

D.6. Auditor´s fees and services

in € thousand	2021	2020
Financial statement auditing services	71	52
Other assurance services	-	-
Other services	-	-
Total	**71**	**52**

The auditor's fees recognized as expenses for audit services for the audit of the individual and consolidated financial statements amount to € 71 thousand in 2021 (previous year: € 52 thousand).

D.7. Segment reporting

Description of segments and main business activities

The identification of reportable operating segments is based on the "management approach". Thereafter, external segment reporting is carried out on the basis of the Group's internal organizational and management structure as well as internal financial reporting to the responsible corporate authority ("Chief Operating Decision Maker"). In the Group, the Executive Board of capsensixx is responsible for evaluating and managing the business success of the segments and is therefore regarded as the responsible corporate authority.

Capsensixx reports on two operating segments, which are managed independently by bodies responsible for the segment according to the type of products and services offered, brands, distribution channels and customer profiles. As a holding company, capsensixx is not itself part of a segment.

The Executive Board has decided to differentiate the segments from each other according to the type of services provided. For this purpose, the services of fund administration and securitization are distinguished.

The composition of the segments as well as their earnings development is regularly reviewed, analyzed and controlled by the Executive Board of capsensixx and, if necessary, necessary adaptation measures.

The companies in the Fund Administration segment are Axxion S.A. incl. navAXX S.A., Axxion InvAG. The WuV - One Earth Fund (formerly) Axxion Revolution Fund-One) was sold in fiscal year 2021.

The Capital Markets & Corporate Services segment comprises advisory services in the areas of financial engineering, securitization and, as a regulated corporate service provider, it provides director and administrative services to corporate clients in Luxembourg. The companies Oaklet GmbH including Oaklet S.A. form the "Securitization" segment.

The two segments Fund Management and Securitization provide services to the financial sector. In 2021, there was 1 major customer, which accounted for a volume of more than 10% of the total turnover. This is a client with a total amount of € 29,660 thousand (2020: € 37,576 thousand), which is attributable to the "Fund Management" segment.

The valuation principles for cpx's segment reporting are based on the IFRSs used in the consolidated financial statements. cpx assesses the performance of the segments on the basis of EBITDA, among other things.

Segment assets and liabilities comprise all assets and liabilities that are attributable to the segments and whose positive and negative results determine the operating result. Segment assets include, in particular, intangible assets, property, plant and equipment, trade receivables and other current and non-current liabilities as well as significant provisions. Segment investments include additions to intangible assets and property, plant, and equipment.

Segment Report as of 31.12.2021

2021 *in € thousand*	Fund management	Securitization	Total segments	Consolidation	Total
Finance result	**-1,443**	**811**	**-632**	**1,569**	**937**
Finance income	-1,074	814	-260	1,586	1,327
Finance costs	-369	-3	-372	-17	-389
Net commission income	**21,436**	**5,110**	**26,546**	**-16**	**26,531**
External customer	21,420	5,110	26,531	-	26,531
Inter-segment	16	-	16	-16	-
					-
Segment expenses					
Personnel expenses	-8,216	-2,485	-10,702	-	-10,702
Other operating income	97	44	141	-7	134
Other administrative expenses	-3,977	-890	-4,867	-1,860	-6,726
Depreciation	-1,367	-98	-1,465	-2	-1,467
Segment profit	**6,531**	**2,491**	**9,022**	**-315**	**8,707**
EBITDA	**9,340**	**1,779**	**11,119**	**-1,882**	**9,237**

Segment Report as of 31.12.2020

2020 *in € thousand*	Fund management	Securitization	Total segments	Consolidation	Total
Finance results	**2,430**	**295**	**2,725**	**-2,482**	**326**
Finance income	3,021	303	3,325	-2,482	843
Finance costs	-591	-8	-600	-	-517
Net commission income	**20,415**	**5,455**	**25,870**	**-1,699**	**24,170**
External customer	19,536	5,455	24,991	-821	24,170
Inter-segment	879	-	879	-879	-
Segment expenses					
Personnel expenses	-7,439	-2,776	-10,215	-	-10,215
Other operating income	131	678	809	-51	759
Other administrative expenses	-7,019	-904	-7,923	1,334	-6,589
Depreciation	-1,831	-115	-1,946	-7	-1,952
Segment profit	**6,688**	**2,633**	**9,321**	**-2,904**	**6,499**
EBITDA	**6,088**	**2,453**	**8,541**	**-416**	**8,125**

Segment assets and liabilities are broken down as follows:

in € thousand	Fund management	Securitization	Total segments	Consolidation	Total
Assets					
01.01.2021	41,967	6,619	48,586	1,665	50,251
31.12.2021	**90,407**	**8,215**	**98,622**	**1,675**	**100,297**
Depts					
01.01.2021	29,864	1,481	31,345	-550	30,795
31.12.2021	**79,388**	**1,663**	**81,050**	**-1,366**	**79,684**

in € thousand	Fund management	Securitization	Total segments	Consolidation	Total
Assets					
01.01.2020	32,499	4,359	36,857	5,305	42,162
31.12.2020	**41,967**	**6,619**	**48,586**	**-5,109**	**50,251**
Dept					
01.01.2020	22,406	646	23,052	538	23,590
31.12.2020	**29,864**	**1,481**	**31,345**	**7**	**30,795**

D.8. Events after the balance sheet date

The global economy has been and continues to be significantly impacted by COVID-19. Millions of citizens are affected by travel restrictions imposed by many countries or by quarantine measures. Companies are struggling with sales slumps and disrupted supply chains. In the global financial and commodity markets, the COVID-19 pandemic has led to a sharp increase in volatility. Many governments have adopted measures to support the companies concerned, both financially and practically.

This could lead to changes in the investment behaviour of customers, which would subsequently burden the Group's net assets, financial position and results of operations in 2022. The concrete impact on the net assets, financial position and results of operations in 2022 cannot yet be predicted with sufficient reliability.

D.9. Declaration on the German Corporate Governance Code pursuant to § 161 AktG

capsensixx AG has issued the declaration required by Section 161 of the German Stock Corporation Act (AktG) and made it permanently available to the public on its homepage under "Investor Relations" (https:// www.capsensixx.de/berichte/).

Frankfurt am Main, 26 April 2022

Martin Stürner
Management Board

AUDIT CERTIFICATE
OF THE EXTERNAL AUDITOR

To the capsensixx AG, Frankfurt am Main

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

AUDIT OPINIONS

We have audited the consolidated financial statements of capsensixx AG, which comprise the balance sheet as at 31. December 2021, the statement of profit and loss for the financial year from 1. January 2021 to 31. December 2021 and notes to the consolidated financial statements, including the presentation of the recognition and measurement policies presented therein.

In addition, we have audited the combined management report (report on the position of the company and of the group) of capsensixx AG for the financial year from 1. January 2021 to 31. December 2021. In accordance with the German legal requirements, we have not audited the content of the parts of the combined management report listed in section "OTHER INFORMATION".

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the company as at 31. December 2021 and of its financial performance for the financial year from 1. January 2021 to 31. December 2021 in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of those parts of the combined management report listed in section

"OTHER INFORMATION".

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

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the annual financial statements and of the combined management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in section "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT" of our auditor's report. We are independent of the company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.
In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year 1. January 2021 to 31. December 2021. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon, we do not provide a separate opinion on these matters.
We have identified the following matters as key audit matters:

IMPAIRMENT OF GOODWILL

Situation

The reported goodwill of the cash generating unit, Oaklet GmbH, amounts to kEUR 587 as of 31. December 2021 and thus 0,6% of total assets in the consolidated financial statements of capsensixx AG.

Goodwill is subject to an impairment test in accordance with IAS 36 once a year or on an ad hoc basis by the company in order to determine a possible need for amortization. The impairment test is performed at the level of cash-generating units to which the respective goodwill is allocated.

In the impairment test, the carrying amount of the respective cash-generating unit to which the goodwill is allocated is compared with the recoverable amount. The recoverable amount is generally determined on the basis of the value in use. As a rule, the measurement is based on the present value of future cash flows of the respective cash-generating unit. The respective values in use are determined using the discounted cash flow method. The Group's approved planning forms the starting point for the calculation. Future cash flows beyond the detailed planning period are extrapolated using long-term growth rates. Expectations about future market developments and assumptions about the development of macroeconomic factors are also taken into account. Discounting is based on the weighted average cost of capital of the respective cash-generating unit.

The determination of the respective recoverable amount depends to a large extent on the assessment of the legal representatives with regard to future cash inflows, the discount rates used, the growth rates and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complexity of the valuation and the residual risks to the forecast of business and earnings development that cannot be ruled out as a result of the Corona pandemic, this matter was of particular importance in the context of our audit.

capsensixx AG's disclosures on goodwill are included in the sections "A.3. Basis of accounting and valuation" in the subsections "Intangible assets" and "Impairment of non-financial assets" as well as "A.4. Estimates and judgments" in the subsection "Goodwill" of the notes to the consolidated financial statements.

Auditor’s Response

As part of our audit approach, we first performed a risk assessment in relation to the goodwill recognized by the company. Based on this risk assessment, we first obtained an understanding of the valuation process as part of our audit procedures on the internal control system. In particular, we considered the model used by the company for the valuation, the parameters used therein and the assumptions made in this respect, and assessed the precautions and measures taken to prepare the business plans.

We then performed evidence-based audit procedures on the appropriateness of the valuation model and the significant valuation parameters and assumptions. We assured ourselves of the quality of the forecasts to date by comparing the forecasts of the previous financial year with the actual results and analyzing deviations. We reconciled the forecast of future cash surpluses in the detailed planning period with the corporate planning prepared by the legal representatives. We reconstructed the assumptions underlying the planning by comparing them with past developments and taking into account current industry-specific market expectations and the company-specific situation. In addition, we had the assumptions regarding the future impact of the Corona pandemic contained in the forecasts explained to us by the legal representatives and understood them. We critically examined the discount rates used for the respective cash-generating unit on the basis of the average cost of capital of a peer group. In addition, we assessed the calculation of the discount rates of the respective cash-generating unit. Our audit also included the mathematical correctness of the valuation model used as well as the sensitivity analyses performed by capsensixx AG.

OTHER INFORMATION

The executive directors or the supervisory board are responsible for the other information. The other information comprises:

- the statement on corporate governance (§§ 315d and 289f HGB) provided in section 6 of the combined management report
- the separately published remuneration report according to § 162 AktG, to which reference is made in section 7 of the combined management report
- the other parts of the annual report, except for the audited financial statements and combined management report as well as our auditor’s report.

Our audit opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and thereby acknowledge whether the other information

- is materially inconsistent with the annual financial statements, with the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ANNUAL FINANCIAL STATEMENTS AND COMBINED MANAGEMENT REPORT

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

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

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

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

AUDITOR´S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND COMBINED MANAGEMENT REPORT

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

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

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

- identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

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

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic rendering of the Annual Financial Statements and the combined Management Report, Prepared for Publication Purposes in Accordance with § 317 (3A) HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 (3a) HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file „capsensixx_KA_2021.zip" (SHA256-Hash-wert: f654b5f7df36b592dd4aeff2e7761e5a5ac2e76044adcba2e2ff18f9a54e2942) and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the combined management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying combined management report for the financial year from 1. January 2021 to 31. December 2021 contained in the "Report on the audit of the annual financial statements and of the combined management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the annual financial statements and the combined management report contained in the file identified above in accordance with § 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 (3a) HGB (IDW AsS 410 (10.2021)). Our responsibility in accordance therewith is further described in the “Auditor’s Responsibilities for the Assurance Work on the ESEF Documents” section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the company are responsible for the preparation of the ESEF documents with the electronic renderings of the annual financial statements and the combined management report in accordance with § 328 (1) sentence 4 no. 1 HGB.

In addition, the executive directors of the company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and to the audited combined management report.

- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this electronic file.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as auditor by the annual general meeting on 23. June 2021. We were engaged by the supervisory board on 10. November 2021. We have been the auditor of the capsensixx AG without interruption since the financial year 2020.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER — USE OF THE AUDITOR’S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited combined management report as well as the assured ESEF documents. The annual financial statements and the combined management report converted to the ESEF format — including the versions to be published in the Federal Gazette — are merely electronic renderings of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents provided in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Lilia Knaub.

Frankfurt am Main, April 26, 2021

BDO AG

Wirtschaftsprüfungsgesellschaft

Schmidt	Knaub
Auditor	Auditor

Responsibility Statement by the legal representatives (balance sheet and management report) on the consolidated financial statements and management report of capsensixx AG in accordance with §§ 264 (2) sentence 3, 289 (1) sentence 5 HGB (§ 114 (2) no. 3 WpHG – Securities Trading Act)

We assure to the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, financial and earnings position of the group and the combined management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

We assure to the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, financial and earnings position of the company and the combined management report gives a true and fair view 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 development of the company.

Frankfurt am Main, April 26, 2022

Martin Stürner

Management Board