

Prospectus dated 11 June 2018



Prospectus

for the public offering

of

330,000 newly issued ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) from a capital increase against contribution in cash to be resolved by the management board on or around 18 June 2018, to be approved by the supervisory board on the same day, utilizing the authorized capital resolved by an extraordinary shareholders' meeting of capsensixx AG on 28 March 2018

and of

527,500 existing ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) from the holdings of PEH Wertpapier AG

and of

128,625 existing ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) from the holdings of PEH Wertpapier AG under a securities loan in connection with a possible over-allotment

and at the same time for the

admission to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)

of

3,100,000 existing ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) (existing share capital from the holdings of PEH Wertpapier AG)

and of

up to 330,000 ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) from a capital increase against contribution in cash to be resolved by the management board on or around 18 June 2018, to be approved by the supervisory board on the same day, utilizing the authorized capital resolved by an extraordinary shareholders' meeting of capsensixx AG on 28 March 2018

- each such share with a notional value of EUR 1.00 and full dividend rights from 1 January 2018 -

of

capsensixx AG

Frankfurt am Main, Germany

Price Range: EUR 16.00 – EUR 19.00

International Securities Identification Number (ISIN): DE000A2G9M17

German Securities Code (*Wertpapierkennnummer*, WKN): A2G9M1

Ticker Symbol: CPX

Sole Global Coordinator and Sole Bookrunner

ICF BANK AG

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1. SUMMARY OF THE PROSPECTUS

Summaries are made up of disclosure requirements known as elements ("**Elements**"). These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In such cases, the summary includes a short description of the Element with the words "not applicable".

A - Introduction and Warnings

A.1 Warnings.

This summary should be read as an introduction to this prospectus.

Investors should base any decision to invest in the securities at hand on the review of this prospectus as a whole.

If any claims are asserted before a court of law based on the information contained in this prospectus, the investor appearing as plaintiff may have to bear the costs of translating this prospectus and the documents referenced therein prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area (the "EEA").

capsensixx AG, Frankfurt am Main, Germany (the "**Company**" or the "**Issuer**" and, together with our fully consolidated subsidiaries, the "**Group**", "**capsensixx**" or "**we**", "**us**" or "**our**"), together with ICF BANK AG, Frankfurt am Main, Germany (the "**Sole Global Coordinator**", the "**Sole Bookrunner**" or the "**Underwriter**"), have assumed responsibility for the content of this summary and its German translation pursuant to Section 5 para. 2b No. 4 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*).

Those persons who have assumed responsibility for the summary including any translations thereof, or who have caused its publication (*von denen der Erlass ausgeht*), can be held liable but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this prospectus or if it does not provide, when read together with the other parts of this prospectus, all necessary key information.

A.2 Information regarding the subsequent use of the prospectus.

The Issuer gives its express consent to the use of the prospectus and accepts responsibility for the content of the prospectus for final placement of the Offer Shares in Germany by financial intermediaries involved by ICF BANK AG, which are credit institutions licensed in accordance with article 4 number 1 of Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006, as amended, to trade securities (each a "**Financial Intermediary**"), during the time period from the beginning of the Offer Period on 12 June 2018 until 18 June 2018. The Issuer may revoke or limit its consent at any time, whereby such revocation or limitation requires a supplement to the prospectus.

Any Financial Intermediary involved by ICF BANK AG using the prospectus must (i) state on its website that it uses the prospectus in accordance with the consent and the conditions attached thereto and (ii) ensure that it complies with all applicable laws and regulations in force in the respective jurisdiction. In the event of an offer being made by a Financial Intermediary, such Financial Intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.

B -	Issuer	
B.1	Legal and commercial name.	The Issuer’s legal name is capsensixx AG. The Issuer primarily operates under the commercial name “capsensixx”.
B.2	Domicile, legal form legislation under which the issuer operates, country of incorporation.	The Company is a stock corporation (<i>Aktiengesellschaft</i>) incorporated under the laws of Germany and is domiciled in the Federal Republic of Germany. The Company was incorporated in Germany on 10 November 2017 and registered in the commercial register at the local court of Frankfurt am Main on 28 November 2017. The Company's statutory seat (<i>Sitz der Gesellschaft</i>) is Frankfurt am Main, Germany, and its registered office is at Bettinastraße 57, 60325 Frankfurt am Main, Germany. The Company is registered with the commercial register of the local court (<i>Amtsgericht</i>) of Frankfurt am Main under number HRB 110258.
B.3	Current operations and principal business activities and principal markets in which the issuer competes.	<p>capsensixx focuses on different products and services within the financial industry. It offers “Financial Administration as a Service”, which enables initiators and decisionmakers to focus on their investments and performance targets, while capsensixx’ specialists take care of the administration, risk-management, monitoring, controlling, reporting, registration and other relevant regulatory obligations related to the investments. capsensixx provides a “single point of entry” platform for decisionmakers across all asset classes and products on a cross-border basis. Its state-of-the-art technology, innovative services and staff’s expertise enables clients to focus on their core activities and thereby facilitates the investments. Our products and services comprise:</p> <p><i>Fund Management, Administration & Accounting:</i> Axxion S.A. (including its Luxembourg subsidiary navAXX S.A. and its German subsidiary Axxion Deutschland Investmentaktiengesellschaft mit Teilgesellschaftsvermögen) (together “Axxion”) provides a fully integrated infrastructure for the entire life cycle of an investment fund: our services start with the set-up of the investment structure, the issuance and subscription of fund units, the obtaining of required authorizations and/or listings and cover the day-to-day administration until the final redemption or liquidation of a fund. Axxion also provides portfolio management services.</p> <p><i>Capital Markets & Corporate Services:</i> Oaklet GmbH, together with its Luxembourg subsidiary Oaklet S.A. (together “Oaklet”), provides advisory services on financial engineering helping sponsors and investors with the set-up of an investment structure tailored to their individual, economic, regulatory and tax requirements. Oaklet arranges and coordinates all third party service providers in connection with the issuance and subscription process as well as the investment and the redemption phase. Additionally, Oaklet S.A., as a regulated corporate service provider, offers corporate and administrative services to its corporate clients.</p> <p><i>Digitization & IT-services:</i> capsensixx intends to set-up and invest into start-up companies and to engage in further acquisitions in order to increase its service offerings within digitization & IT-services, dedicated to disruptive technologies reducing operating efforts, automation of individual workflows and self-learning and self-adjusting software using artificial intelligence. These services offer cost savings and increase efficiency, and will also enable clients to tailor their data-analysis in line with their data requirements.</p> <p>The client base of the Group is very balanced, consisting of multinational companies, financial institutions, alternative investment managers and family offices.</p> <p>capsensixx believes that the clients of the Group value the quality of our diversified fund, administration and corporate services offering, our global</p>

network, our commitment to client relationships and our expertise, reliability and responsiveness.

Within the operating companies we have a skilled workforce of 83.75 professionals as of 31 March 2018 (79.5 as of 31 December 2017) (average headcount), the majority of whom have higher education or university degrees. The quality and expertise of our employees is key to providing our clients with high-quality value-added services and building long-term relationships with our clients.

B.4a Most significant recent trends affecting the issuer and the industry in which it operates.

Assets under management (“AuM”) will continue to grow rapidly. PricewaterhouseCoopers estimated in its industry report “Asset & Wealth Management Revolution” (2017) that by 2025 AuM will on a global basis have almost doubled – rising from US\$84.9 trillion in 2016 to US\$145.4 trillion in 2025.

Investors have increasingly turned to alternative investments as a means to improve performance of their investments and diversify their portfolios. According to Preqin’s Investor Outlook: Alternative Assets, H1 2017, the global alternative investment industry currently represents a total of US\$7.7 trillion invested in hedge funds and private capital assets, having grown US\$300 billion in 2016.

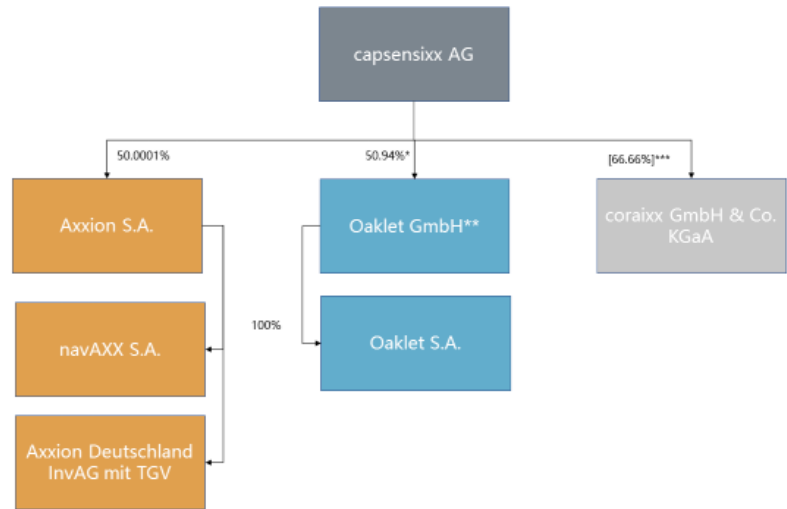
capsensixx believes that several major developments are currently taking place in the fund, investment and asset management industries, in which it operates:

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

B.5 Description of the group and the Issuer's position within the group.

The Issuer is a holding company with direct or, as the case may be, indirect holdings of Axxion S.A. (Luxembourg), Axxion Deutschland Investmentaktiengesellschaft mit Teilgesellschaftsvermögen (Germany), navAXX S.A. (Luxembourg), Oaklet GmbH (Germany), Oaklet S.A. (Luxembourg) and providing high value fund, administration and corporate services, in Luxembourg and Germany.

The structure chart below sets out the Group structure as of the date of this prospectus (percentages rounded):



- * Stake without attribution of a treasury share held by Oaklet GmbH.
- ** 5.42% of share capital represents a treasury share held by Oaklet GmbH.
- *** Approximately 66.66% economic interest. The Issuer holds a 50% participation in coraixx GmbH, the general partner of coraixx GmbH & Co. KGaA, and 100% of the shares in coraixx GmbH & Co. KGaA (in information) which in total represents an economic interest of the Issuer in coraixx GmbH & Co. KGaA of approximately 66.66%. The start of operations of this participation is subject to obtaining proceeds from the placement of New Shares.

B.6 Persons who, directly or indirectly, have a (notifiable) interest in the issuer's capital and voting rights.

As of the date of this prospectus, the PEH Wertpapier AG (the “**Selling Shareholder**”) directly holds 3,100,000 existing ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) of the Company, representing 100% of the issued and outstanding share capital and voting rights of the Company.

Upon the completion of the offering contemplated by this prospectus – assuming no exercise of the Greenshoe-Option (see E.3) – the Selling Shareholder will directly hold approximately 75.00% of the shares in the Company (the “**Shares**”) in case of a full placement of the Base Shares (see E.3). In case of a full placement of the Offer Shares (see E.3)– assuming a full exercise of the Greenshoe-Option (see E.3) –, the Selling Shareholder will directly hold approximately 71.25% of the shares of the Company.

Different voting rights.

Each share in the Issuer carries one vote at the Issuer’s shareholders’ meeting. There are no restrictions on voting rights. All shares have identical voting rights.

Direct or indirect control over the issuer and nature of such control.

The Selling Shareholder owns more than 30% of the voting rights in the Issuer and is, therefore, considered to hold a controlling interest in the Issuer pursuant to the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) and with a majority of more than 50% of the voting rights in the Issuer the Selling Shareholder is considered to hold a controlling interest also from the perspective of the German Stock Corporation Act (*Aktiengesetz*). The voting rights of the Selling Shareholder do not differ in any respect from the rights attached to any other Shares. The limits imposed under German law, in particular the German Stock Corporation Act (*Aktiengesetz*) on the ability of a controlling shareholder to unduly exercise any control have been observed by the Selling Shareholder and the Issuer. There are no special provisions in the Issuer's articles of association to ensure that such control is not abused.

B.7 Selected key historical financial information.

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

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

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

Selected Financial Information from the Profit and Loss Statement

<i>in T€</i>	Three months ended		Year ended		
	31 Mar. 2018	31 Mar. 2017	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenues	25,428	15,289	116,200	65,544	69,455
Other operating income.....	260	143	694	753	943
Cost of materials.....	-20,295	-11,056	-96,583	-48,768	-52,486
Wages and salaries	-1,367	-1,135	-5,331	-4,708	-4,399
Social security, pension and other benefits.....	-362	-312	-1,408	-1,187	-983
Depreciation and amortization on intangible fixed assets and tangible assets.....	-258	-235	-976	-752	-566
Other operating expenses.....	-1,616	-1,251	-5,433	-5,085	-5,133
Finance income.....	0	0	31	40	0
Other interest and similar income	6	3	31	12	52
Finance costs.....	-1	-1	-8	-6	-5
Profit before Tax	1,795	1,445	7,217	5,843	6,878
Taxation.....	-541	-485	-2,241	-1,772	-2,048
Net profit	1,254	960	4,976	4,071	4,830
Net profit attributable to non-controlling interests.....	631	478	2,447	2,011	2,390
Net profit (attributable to shareholders of capsensixx AG)	623	482	2,529	2,060	2,440

Selected Financial Information from the Balance Sheet

<i>in T€</i>	31 Mar. 2018	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Assets				
Non-current assets				
Goodwill.....	588	44	44	44
Other intangible assets.....	1,738	1,845	2,124	1,036
Tangible assets.....	866	932	946	1,036
Non-current financial assets.....	540	562	647	560
Deferred tax assets.....	88	105	195	167
Non-current assets	3,820	3,488	3,956	2,843
Current assets				
Trade receivable	8,575	44,526	13,140	14,531
Income tax assets.....	87	139	112	77
Short term financial assets.....	1,094	461	2,156	1,119
Available for sale assets ¹	3,550	3,536	1,947	1,204
Cash and cash equivalents	6,293	4,961	3,798	6,849
Current assets	19,599	53,623	21,153	23,780
Total assets	23,419	57,111	25,109	26,623
Equity and Liabilities				
Equity				
Subscribed capital.....	100	100	100	100
Retained earnings.....	4,460	83	42	53
Profit carried forward	0	192	-138	-343
Net profit.....	623	2,529	2,060	2,440
Equity compensation item.....		2,670	2,670	2,670
Retained adjusted consideration...		360	360	360
Other equity components ²	1,789			
Equity excluding non-controlling interests	6,973	5,934	5,094	5,280
Non-controlling interests	6,306	5,648	4,818	4,945
Non-current liabilities	160	215	223	186
Current liabilities	9,980	45,314	14,974	16,212
Total equity and liabilities	23,419	57,111	25,109	26,623

¹ In accordance with IFRS 9, financial instruments previously classified as “Available for Sale” in our combined financial statements were reclassified to IFRS 9 categories as from 1 January 2018 in the interim financial statements.

² Line item “Other equity components” contains the amount of the capital increase, that was not registered as of the balance sheet date (T€ 3,000), the consolidation items upon the rollover of carrying amounts (T€ -1,061) and expenses relating to the issuance of new shares and the admission to trading on the Frankfurt Stock Exchange (T€ -150).

Selected Financial Information from the Cash Flow Statement

<i>in T€</i>			Three months ended		Year ended		
			31 Mar. 2018	31 Mar. 2017	31 Dec 2017	31 Dec 2016	31 Dec 2015
			<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Cash-flow from operating activities			1,417	448	5,232	3,141	5,946
Cash-flow from investing activities			-85	-241	-684	-1,827	-1,286
Cash-flow from financing activities			0	0	-3,385	-4,366	-3,496
Change in cash funds			1,332	207	1,163	-3,052	1,164
Funds at beginning of period			4,961	3,798	3,798	6,850	5,686
Funds at end of period			6,293	4,005	4,961	3,798	6,850

Significant changes to the issuer's financial condition and operating results during and subsequent to the period covered by the historical key financial information.

Results of Operations

Our revenues increased by €50.7 million, or 77%, to €116.2 million in Historical FY 2017, from €65.5 million in the previous year. This change was mainly due to the net inflow of assets under administration, the assumption of the management function for (at that time) a €2.2 billion fund (Frankfurter Aktienfonds für Stiftungen) as new client and a positive capital markets environment. In Historical FY 2016, our revenues decreased by €3.9 million, or 6%, to €65.5 million, from €69.5 million in Historical FY 2015. This change was mainly due to a volatile market environment and decreasing performance fees accounted for our clients.

Our profit before tax increased by €1.4 million, or 24%, to €7.2 million in Historical FY 2017, from €5.8 million in Historical FY 2016. This change was mainly due to the net inflow of assets under administration, assumption of the management function for the Frankfurter Aktienfonds für Stiftungen and a positive capital markets environment. In Historical FY 2016, our profit before tax decreased by €1 million, or 16%, to €5.8 million, from €6.9 million in Historical FY 2015, which was mainly due to an overall decrease of revenues and margin pressure on administrative services.

Net profit (attributable to shareholders of capsensixx AG) increased by €0.4 million, or 19%, to €2.5 million in Historical FY 2017, from €2.1 million in the previous year, and decreased by €0.4 million, or 16%, to €2.1 million in the year ended Historical FY 2016, from €2.4 million in Historical FY 2015.

Significant changes to financial condition and operating results subsequent to the period covered by the historical key financial information.

		<p>The irrevocable and unconditional transfer of 50.0001% of the shares of Axxion S.A. and 50.94% of the shares of Oaklet GmbH from PEH Wertpapier AG to capsensixx AG was agreed on 28 March 2018 and has become effective upon registration of the corresponding capital increase of capsensixx AG to a share capital of €3,100,000 on 18 April 2018. This transfer has resulted in a significant increase in assets and equity in the Company's unconsolidated balance sheet. Other than that, there have been no significant changes to the financial condition and operating results of the Company since 31 December 2017.</p> <p>Recent Developments</p> <p>capsensixx has continued its strong growth trend in the first quarter 2018 compared to the first quarter 2017. This development has been driven by increased revenues from existing clients through net inflows in both (i) the Fund Administration & Accounting and (ii) the Capital Markets & Corporate Services segments, new structures as well as business wins from new clients.</p>
B.8	Selected key pro-forma financial information.	Not applicable. The Issuer has not prepared pro-forma financial information for inclusion in this prospectus.
B.9	Profit forecast or estimate.	Not applicable. No profit forecast or estimate is being presented by the Issuer.
B.10	Qualifications in the audit report on the historical financial information.	Not applicable. The auditor's reports on the historical financial information included in this prospectus have been issued without qualification.
B.11	Insufficiency of the issuer's working capital for its present requirements.	Not applicable. The Issuer is of the opinion that capsensixx is in a position to meet its payment obligations that become due within at least the next twelve months.
C -	Securities	
C.1	Type and class of the securities being offered and/or admitted to trading.	Ordinary bearer shares with no-par value (<i>auf den Inhaber lautende Stückaktien</i>) (the "Shares"), each such share representing a notional value of EUR 1.00 and with full dividend rights from 1 January 2018.
	Security identification number.	International Securities Identification Number (ISIN): DE000A2G9M17 German Securities Code (<i>Wertpapierkennnummer, WKN</i>): A2G9M1 Trading Symbol: CPX
C.2	Currency.	The Shares are denominated in Euro. The accounting currency is also Euro.
C.3	The number of shares issued and fully paid.	As of the date of this prospectus, our outstanding and issued share capital consists of 3,100,000 Shares. All of the issued and outstanding Shares are fully paid.
	Notional value per share, or that the shares have not par value.	Each Share represents a notional share of EUR 1.00 in the Issuer's share capital.
C.4	A description of the rights attached to the securities.	Each Share carries one vote at the Company's shareholders' meeting. There are no restrictions on voting rights and the Company's existing shareholder does not have different voting rights. The Shares carry full dividend rights from 1 January 2018.

C.5	A description of any restrictions on the free transferability of the securities.	Not applicable. The Issuer's shares are freely transferable in accordance with the legal requirements for ordinary bearer shares. There are no restrictions on the transferability of the shares in the Issuer's articles of association.
C.6	Application for admission to trading on a regulated market and identity of regulated markets where the securities are to be traded.	The Issuer will apply for admission of the Issuer's shares to trading on the regulated market segment (<i>regulierter Markt</i>) of the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>) and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard) on or around 11 June 2018. The listing approval for the Issuer's shares is expected to be granted on 20 June 2018. Trading in the Issuer's shares on the Frankfurt Stock Exchange is planned to commence on 21 June 2018.
C.7	Dividend policy.	<p>The Issuer has not paid any dividends in the past. Based on our audited Combined Financial Statements, the dividends paid by our subsidiaries Axxion S.A. and Oaklet GmbH in Historical FY 2017 represented 83% of our combined net profit of Historical FY 2016, and in Historical FY 2016 the dividends paid represented 90% of our combined net profit of Historical FY 2015. The Issuer currently intends to pay a dividend of more than 50% of the Issuer's annual consolidated net profit (to the extent attributable to the shareholders of capsensixx AG). The Issuer intends to pay dividends annually.</p> <p>The Issuer's intentions in relation to dividend payments are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control. Furthermore, the dividend policy is subject to change as our Management Board will revisit the dividend policy from time to time, especially if such action might be indicated by future growth targets.</p>
D -	Risks.	<p>An investment in the Issuer's shares is subject to a number of risks. Prospective investors should carefully consider the following risks together with all the other information contained in this prospectus prior to making any investment decision regarding the Issuer's shares. The following risks, alone or together with additional risks and uncertainties not currently known to us, or that we might currently deem immaterial, could materially adversely affect our business, financial condition and results of operations. The market price of the Issuer's shares could decline if any or all of these risks were to materialize, in which case prospective investors could lose all or part of their investment.</p> <p>The order in which the following risks are presented is not an indication of the likelihood of these risks actually materializing, or their likely significance or degree, or the scope of any potential harm to our business, financial condition, or results of operations that might result.</p>
D.1	Key risks specific to the issuer and its industry.	<p>Market and business related risks</p> <ul style="list-style-type: none"> • The loss of members of our management team or of certain employees of the Group, the failure to attract and retain employees with appropriate qualifications, experience and business relationships, or the increase of personnel expenses could have a material adverse effect on our business. • Negative movements in financial markets can significantly affect our revenues and our income. • Demand for asset management products depends on factors outside our control that impact the asset management sector as a whole. Factors outside our control that adversely affect the demand for asset management products and/or net inflows in the funds we administer and/or which reduce the set-up of new funds and/or securitisation structures can lower our assets under administration and cause a reduction in our fees, income and results of operations. • The asset classes we provide administration services for may become

less attractive to investors.

- We operate in a competitive market and if we are unable to compete effectively, retain our existing clients, provide additional or new services to our existing clients, or attract new clients, our market share, profitability and revenue could be materially and adversely impacted.
- The move from active to passive management of assets in the fund industry increases pressure on our margins and could significantly reduce the volume of actively-managed assets for which we provide administration services.
- A failure to keep pace with technological innovation and industry improvements could expose us to competition and negatively impact our operations.
- Any damage to our business reputation or brand could have a material adverse effect on our business, results of operations and financial condition.
- Failures or disruptions in our information technology and other operational systems could have a material adverse effect on our business, results of operations and financial condition.
- We rely on our insurance coverage, in particular our directors' and officers' insurance and professional indemnity insurance, and we may be unable to obtain or maintain such coverage in the future, such coverage may prove to be inadequate and we may have disputes with our insurers.
- If we fail to perform a successful placement of the primary tranche of the offering of our shares contemplated by this prospectus (the IPO Capital Increase) and to generate net proceeds of EUR 5 million (which corresponds to an offer price of less than EUR 17.00), we might not be able to fund the acquisition of licenses from INQUENCE GmbH and to grow the new business within the recently founded coraixx GmbH & Co. KGaA.
- We may fail to achieve any or all of the medium term objectives included in this prospectus.
- We are exposed to a variety of economic, legal, tax and other related risks due to the international nature of our business.
- Failure of our “know-your-customer” (anti-money laundering) controls or compliance function could result in our representation of clients that may subject us to reputational damage, penalties and other regulatory action.
- A significant reduction in foreign direct investment could have a material adverse effect on our business.
- A prolonged or significant economic downturn or a significant reduction of cross-border transactions, capital markets or fund activity may adversely affect our business, results of operations and financial condition.
- Our clients may seek to conduct the services we provide in-house, which would lead to a decline in the demand for our services.
- In connection with acquisitions, we may in the future inadvertently acquire actual or potential liabilities.
- We might be unable to successfully integrate or achieve the expected benefits from future acquisitions. Undertaking acquisitions increases the risk profile of our business.
- We may fail to identify or acquire suitable targets for investment opportunities or make unsuitable acquisitions or investments, which

could impair our ability to achieve our strategic objectives.

- We may not be able to expand into a particular jurisdiction or expand our service offering as required by current or potential clients.

Risks related to our operations, financial position and Group Structure

- Our inability to raise capital could affect our ability to execute our strategic plans.
- The Company relies on its operating subsidiaries to provide it with funds necessary to meet the Company's financial obligations and our ability to pay dividends may be constrained.
- Our combined financial statements include significant intangible assets, in particular software, which could be impaired.

Risks Relating to our Tax Position

- We conduct business in multiple jurisdictions and are exposed to the tax laws of such jurisdictions, including the risks in connection with challenges to our tax position.
- Changes in tax treaties, laws, rules or interpretations or an adverse outcome of tax audits could have a material adverse effect on us.

Regulatory and legal risks

- We as well as the products and services offered by us are subject to laws and regulations relating to the fund, investment and corporate services industry and to supervision by a number of regulatory authorities. Moreover, a substantial number of the service providers, to whom we have outsourced certain activities, and the services provided by these service providers are also subject to regulatory supervision. Last, but not least, part of our client base is subject to financial regulation including banking and insurance regulation. The impact on our business of ongoing global and regional regulatory reform is uncertain.
- As a provider of fund management, administration & accounting services, capital markets & corporate services and digitization & IT-services, we operate in a litigation sensitive environment and are susceptible to litigation and claims.
- A significant change in the laws and regulations of the jurisdictions in which our clients operate or where client funds or entities are domiciled, particularly any unfavourable amendments to corporate and tax laws and regulations and double tax treaties, may have an adverse effect on our business.
- The ability of Shareholders to bring actions or enforce judgments against us or members of our management board and supervisory board may be limited.
- Holding or acquiring a direct or indirect substantial stake in our share capital may require the prior consent of the BaFin and/or the CSSF and may require notification to, or prior approval from, other national regulators, and may be subjected to restrictions and other requirements.
- Improper disclosure of sensitive data or data protected by data protection laws could result in liability and harm our reputation.
- Failure to comply with applicable international sanctions or the US Foreign Corrupt Practices Act, the United Kingdom Bribery Act 2010 or similar applicable worldwide anti-bribery laws could have a material adverse effect on our business.
- Exchange control restrictions, regulatory restrictions or other restrictions regarding the repatriation of funds from certain countries in

which we operate could limit our ability to make foreign investments, procure foreign denominated financings and extract dividends from our operating subsidiaries.

D.3 Key risks specific to the securities.

Risks Related to the Issuer's Shareholder Structure, the Shares and the Offering

- Following the Offering, PEH Wertpapier AG as Selling Shareholder will continue to be in a position to exert substantial influence over us. The interests pursued by PEH Wertpapier AG could differ from the interests of our other Shareholders.
- There has been no public market for our Shares prior to the Offering and we cannot assure that an active market in our Shares will develop.
- The share price could fluctuate significantly, and investors could lose all or part of their investment.
- Future sales or the possibility of future sales of a substantial number of our Shares could have an adverse effect on the price of our Shares and dilute the interests of Shareholders.
- If securities or industry analysts do not publish or cease to publish research reports on our business, or adversely change or make negative recommendations regarding our Shares, the market price and trading volume of our Shares could decline.
- If closing of the Offering does not take place, purchases of the Offer Shares will be disregarded and Frankfurt Stock Exchange may annul transactions that have occurred.
- The Issuer may invest or spend the proceeds of this offering in ways with which shareholders may not agree or in ways which may not yield a return or enhance the price of the Shares.
- An investment in the Issuer's shares by an investor whose principal currency is not the euro may be affected by exchange rate fluctuations.

E - Offer

E.1 The total net proceeds.

We estimate the total net proceeds, assuming an Offer Price at the mid-point of the Price Range (see E.3) and a full exercise of the Greenshoe-Option (see E.3), after deduction of expenses and commissions to amount to approximately €15.60 million, of which we estimate that €5.14 million are allocated to the New Shares (as defined in E.3 below), €8.32 million to the Sale Shares (as defined in E.3 below) and €2.14 million to the Over-Allotment Shares (as defined in E.3 below).

We will only receive net proceeds from the sale of any New Shares in the Primary Offering (as defined in E.3 below). We will not receive any proceeds from the sale of any existing Shares in the Secondary Offering (as defined in E.3 below), the net proceeds of which will be received by the Selling Shareholder (as defined in E.3 below).

Estimate of the total expenses of the offering and listing, including estimated expenses charged to the investor by the issuer.

Assuming at an Offer Price at the mid-point of the Price Range, the total costs and expenses payable together by the Company and the Selling Shareholder of, and incidental to, the issuance of the New Shares, the Offering and listing on Frankfurt Stock Exchange are estimated to amount to EUR 1.66 million if all New Shares are issued and all Sale Shares and all Over-Allotment Shares are sold by the Selling Shareholder.

E.2a Reasons for the offering.

We pursue the Offering of the New Shares to receive the proceeds from the placement of the New Shares (as defined in E.3 below). We believe that the Offering of the New Shares, if successful, will strengthen our financial position and increase our financial flexibility.

Use of proceeds, estimated net amount of the proceeds.

We intend to list the shares of the Company on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) to achieve better access to the capital markets. The Selling Shareholder will offer the shares to partially divest its shareholding in the Company and provide liquidity in the shares.

We intend to use the net proceeds of the New Shares following the Primary Offering mainly to fund the expansion strategy of coraixx GmbH & Co KGaA under the non-binding letter of intent entered into with INQUENCE GmbH (“INQUENCE”) on 28 March 2018 and the option agreement entered into by coraixx GmbH & Co. KGaA (in formation) (“coraixx”) and INQUENCE on 7 June 2018, which will support our operational and business strategy. Based on that letter of intent, the Company intends to acquire 100% of newly issued shares in coraixx subject to and following a successful placement of the New Shares (as defined in E.3 below). Based on the letter of intent and the option agreement, EUR 1.5 million are required to purchase the licences and the existing accounting clients of INQUENCE and a further up to EUR 3.5 million are required to fund the working capital needs of coraixx. Thus said, up to EUR 5 million of the net proceeds of the primary tranche of offering are used for coraixx, remaining net proceeds, if any, we will use for funding the growth of our business and general corporate purposes.

If we do not receive net proceeds in the primary tranche of the offering of EUR 5 million (which corresponds to an offer price of less than EUR 17.00), we will have to adapt our expansion strategy or might seek alternative financing (ie Group financing or external debt), but will still be able to pursue the option under the option agreement. If we do not exercise the option, the net proceeds of the New Shares are used for funding the growth of our existing businesses and general corporate purposes to accelerate growth.

E.3 Offer conditions.

This prospectus relates to the offering of up to 986,125 ordinary bearer shares of the Issuer with no-par value (*auf den Inhaber lautende Stückaktien*), each such share representing a notional value of EUR 1.00 and with full dividend rights from 1 January 2018, (the “Offering”) consisting of:

- 330,000 newly issued ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) from a capital increase against contribution in cash (the “**IPO Capital Increase**”) to be resolved by the management board on or around 18 June 2018, to be approved by the supervisory board on the same day, utilizing the authorized capital resolved by an extraordinary shareholders’ meeting of the Issuer on 28 March 2018 (the “**New Shares**”) (the “**Primary Offering**”); and
- 527,500 existing ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) (the “**Sale Shares**”, and together with the New Shares, the “**Base Shares**”) from the holdings of PEH Wertpapier AG, the “**Selling Shareholder**”, (the “**Secondary Offering**”); and
- 128,625 existing ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) from the holdings of PEH Wertpapier AG (the “**Lending Shareholder**”) in connection with a possible over-allotment (the “**Over-Allotment Shares**”, and together with the Base Shares, the “**Offer Shares**”).

The Offering consists of an initial public offering in Germany and Luxembourg and private placements in certain jurisdictions outside Germany and Luxembourg. Outside the United States, the Issuer’s shares will be offered and sold only in compliance with Regulation S under the United States Securities Act of 1933, as amended.

Offer Period.	<p>The Offering is made only in those jurisdictions where, and only to those persons to whom, offer and sales of the Offer Shares may be lawfully made.</p> <p>The period during which investors may submit purchase orders for the Offer Shares will begin on 12 June 2018 and end on 18 June 2018 (the “Offer Period”). On the last day of the Offer Period, offers to purchase may be submitted (i) until 17:00 (Central European Summer Time) (“CEST”) by private investors and (ii) until 17:00 (CEST) by institutional investors.</p> <p>In the event of an acceleration or extension of the Offer Period, pricing, allocation, admission and first trading of the Offer Shares, as well as payment (in Euros) for and delivery of the Offer Shares may be advanced or extended accordingly.</p>
Offer Price and Price Range.	<p>The price range within which purchase orders may be placed is €16.00 to €19.00 per Offer Share (“Price Range”).</p> <p>The placement price per Offer Share (the “Offer Price”) and the exact number of Offer Shares offered in the Offering is expected to be set jointly by the Company and the Selling Shareholder, in consultation with the Sole Global Coordinator, on 18 June 2018 on the basis of the purchase orders submitted by investors that have been collated in the order book prepared during a book building process.</p> <p>The Offer Price is expected to be published on 18 June 2018 by means of an ad-hoc release through an electronic information dissemination system and on the Issuer’s website. Particularly if the placement volume proves insufficient to satisfy all orders placed at the Offer Price, the Sole Global Coordinator reserves the right to reject orders, or to accept them in part only.</p>
Amendments to the Terms of the Offering.	<p>The Company and the Selling Shareholder, in consultation with the Sole Global Coordinator, reserve the right to increase or decrease the maximum number of Offer Shares, to change the Offer Price Range and/or to extend or shorten the Offer Period. Changes in relation to the number of Offer Shares, to change the Offer Price Range or the extension or shortening of the Offer Period will not invalidate any offers to purchase that have already been submitted. To the extent that the terms of the Offering are changed, such change will be published by means of a press release and, if required by applicable laws, by an ad-hoc release through an electronic information dissemination system and on the Issuer’s website prior to the end of the Offer Period.</p>
Delivery and Payment.	<p>Allocation</p> <p>Allocation of the Offer Shares is expected to take place on the day of the closing of the Offer Period, expected on or around 18 June 2018. Allotments of Offer Shares to non-retail investors who placed orders with the Underwriter directly will be made on the basis of the quality of the individual investors and individual orders and other important allotment criteria to be determined by the Company, the Selling Shareholders and ICF BANK AG. In the event that the Offering is over-subscribed, investors may receive fewer Offer Shares than they applied to subscribe for. The Company and the Selling Shareholder may, in consultation with the Sole Global Coordinator, at their own discretion and without stating the grounds therefor, reject any subscriptions wholly or partly.</p> <p>Payment</p> <p>Payment (in euros) for the Offer Shares excluding the Over-Allotment Shares is expected to take place on 21 June 2018 (the “Settlement Date”), subject to acceleration or extension. Payment for any Over-Allotment Shares pursuant</p>

to the Greenshoe Option may also take place at the Settlement Date, if and to the extent that such option has been exercised prior to the Settlement Date.

Delivery of Offer Shares

The Offer Shares will be delivered through the book-entry systems of Clearstream Banking AG (Frankfurt am Main).

If settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation and transactions in the Offer Shares on Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) may be annulled. Any dealings in Offer Shares prior to settlement are at the sole risk of the parties concerned.

Stabilization Measures, Over-Allotment and Greenshoe Option.

In connection with the placement of the Offer Shares, ICF BANK AG or persons acting on its behalf will act as stabilization manager (in such capacity the “**Stabilization Manager**”) and may, acting in accordance with the legal requirements (Article 5 para. 4 and 5 of the Market Abuse Regulation (EU) 596/2014 in conjunction with Articles 5 through 8 of the Commission Delegated Regulation (EU) 2016/1052), make over-allotments and take stabilization measures to support the market price of the shares of the Company and thereby counteract any selling pressure.

The Stabilization Manager is under no obligation to take any stabilization measures. Where stabilization measures are taken, these may be terminated at any time and without notice. Such measures may be taken from the date the shares of the Company are listed (*notiert*) on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), which is expected to be on 21 June 2018, and must be terminated no later than 30 calendar days after this date (the “**Stabilization Period**”). These stabilization measures may result in a market price for the Company’s shares that is higher than it would otherwise have been. Moreover, the market price may be, temporarily, at an unsustainable level.

Under the possible stabilization measures, investors may, in addition to the New Shares and the Sale Shares, be allocated up to 128,625 additional existing Shares in the Company from the holdings of the Selling Shareholder (“**Over-Allotment Shares**”) granted by the Selling Shareholder to the Stabilization Manager under a securities loan (*Wertpapierdarlehen*).

The Selling Shareholder has granted the Underwriter an option (the “**Greenshoe Option**”), exercisable within 30 calendar days after the first day of trading in our Shares on Frankfurt Stock Exchange, which is expected to be on 21 June 2018 (the “**First Trading Date**”), pursuant to which the Stabilization Manager may require the Selling Shareholder to sell at the Offer Price, less any fees and expenses, such number of additional existing Shares held by it to the Underwriter that is equal to the number of the Over-Allotment Shares in lieu of returning the shares provided under the securities loan.

The Stabilization Manager is entitled to exercise the Greenshoe Option up to the extent Over-Allotments were initially made. The number of shares is to be reduced by the number of shares held by the Stabilization Manager as of the date on which the Greenshoe Option is exercised and that were acquired by the Stabilization Manager in the context of stabilization measures.

E.4 Interests material to the issue/offer including conflicting interests.

In connection with the Offering and the admission to trading of the Issuer’s shares, the Underwriter has formed a contractual relationship with the Issuer.

The Underwriter acts for the Issuer on the Offering and coordinates the structuring and execution of the Offering. Upon successful implementation of

the Offering, the Underwriter will receive a commission. As a result of these contractual relationships, the Underwriter has a financial interest in the success of the Offering.

Furthermore, in connection with the Offering, the Underwriter acting as an investor for its own account, may acquire shares in the Offering and in that capacity may retain, purchase or sell for its own account such shares or related investments and may offer or sell such shares or other investments otherwise than in connection with the Offering.

The Issuer will receive the net proceeds from the sale of the New Shares and will gain access to the equity capital markets (see E.1).

The Selling Shareholder will receive the net proceeds from the sale of the Sale Shares and the Over-Allotment Shares, if any, sold in the Offering (see E.1).

The Underwriter or its affiliates have, and may from time to time in the future continue to have, business relations with our Group or may perform services for our Group in the ordinary course of business.

E.5 Name of the person or entity offering to sell the security.

The Offer Shares are being offered for sale by the Underwriter.

Lock-up agreement: the parties involved; and indication of the period of the lock-up.

In the underwriting agreement, dated 11 June 2018, among the Issuer, the Selling Shareholder and the Underwriter, the Issuer agreed with the Underwriter that, during the period commencing on the first day of trading of the Issuer's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (currently expected to take place on 21 June 2018) and ending six months thereafter (the "**Company Lock-Up Period**"), to the extent legally permissible, without the prior written consent of the Sole Global Coordinator, which may not be unreasonably withheld or delayed, the Issuer will not, and will not agree to

- announce or effect an increase of the share capital of the Issuer from authorized capital;
- propose to its general meeting an increase of the share capital; or
- announce, effect or propose the issue of securities with conversion or option rights on shares of the Issuer or economically similar transactions.

The aforementioned restrictions do not apply to the IPO Capital Increase and the issuance of shares under the Greenshoe Option, if any.

For the period commencing on the first day of trading of the Issuer's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (currently expected to take place on 21 June 2018) and ending 24 months thereafter (the "**Selling Shareholder Lock-Up Period**"), the Selling Shareholder undertook in writing that they will not, without the prior written consent of the Sole Global Coordinator,

- offer, pledge, allot, distribute, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, transfer or otherwise dispose of, directly or indirectly (including, but not limited to, the issuance or sale of any securities exchangeable into shares of the Issuer), any shares of the Issuer; or
- enter into or perform any transaction economically equivalent to those described in the first bullet above, in particular, the issue of options or conversion rights on shares of the Issuer;

This undertaking shall not restrict any transfer of shares or securities to affiliates of the Selling Shareholder, provided that the recipient of such

E.6 Amount and percentage of immediate dilution resulting from the offering.

transfer assumes, by written confirmation to the Sole Global Coordinator, the obligations of the Selling Shareholder hereunder for the then remaining term of this undertaking.

The voting interest of the Selling Shareholder as the sole current holder of our Shares will be diluted as a result of the issuance of the New Shares. The maximum dilution for the Selling Shareholder of our Shares pursuant to the issuance of the New Shares would be approximately 9.6%, assuming the issuance of 330,000 New Shares.

According to the interim financial statements as of 31 March 2018, the net asset value (net book value) of the Company amounted to T€6,973. The net asset value as of 31 March 2018 corresponds to total assets of T€23,419 minus total non-current liabilities of T€160 and total current liabilities of T€9,980 and minus non-controlling interests of T€6,306. The net asset value per share (equity attributable to the Company’s shareholders per share), which corresponds to the net asset value as of 31 March 2018 divided by the number of outstanding Issuer’s shares immediately prior to the Offering, would amount to €2.25 per Issuer’s share (this per share figure being referred to as the “**Pre-IPO Equity attributable to Shareholders per Share**”) based on 3,100,000 outstanding Issuer’s shares immediately prior to the Offering.

The dilutive effect of the Offering is illustrated in the table below demonstrating the amount by which the Offer Price at the mid-point of the Price Range exceeds the net asset value per share attributable to shareholders after completion of the Offering assuming the below-described steps of the Offering had taken place on 31 March 2018. In this respect, the net asset value per share attributable to shareholders as of 31 March 2018 is adjusted for the effects of the Offering, assuming (i) the execution of the IPO Capital Increase in the maximum number of offered New Shares and (ii) an increase in the net asset value per share attributable to shareholders at the mid-point of the Price Range (€17.50). The assumed increase is based on the expected net proceeds not considering any tax effects. The adjusted net asset value attributable to shareholders is expressed as a per share figure, assuming 3,430,000 outstanding shares of the Issuer upon completion of the Offering (this per share figure being referred to as the “**Post-IPO Equity attributable to Shareholders per Share**”).

	As of 31 March 2018 (Mid-point of price range)
Offer Price per share (in EUR).....	17.50
Total gross proceeds to the Issuer, assuming placement of all New Shares (in TEUR).....	5,775
Estimated total costs of the Offering to be borne by the Issuer, assuming placement of all New Shares (in TEUR).....	640
Total net proceeds to the Issuer assuming placement of all New Shares (in TEUR).....	5,135
Pre-IPO Equity attributable to Shareholders per Share (in EUR)	2.25
Post-IPO Equity attributable to Shareholders (in TEUR)...	12,108
Post-IPO Equity attributable to Shareholders per Share (in EUR).....	3.53

Amount by which the Offer Price per share exceeds the Pre-IPO Equity attributable to Shareholders per Share (direct dilution per share for the parties acquiring the New Shares) (in EUR)	15.25
Percentage by which the Offer Price per share exceeds the Pre-IPO Equity attributable to Shareholders per Share (direct dilution per share for the parties acquiring the New Shares) (in %).....	678
Amount by which the Post-IPO Equity attributable to shareholders per share exceeds the Pre-IPO Equity attributable to Shareholders per Share (immediate accretion to the existing shareholder of the Issuer/Selling Shareholder per share) (in EUR)	1.28
Percentage by which the Post-IPO Equity attributable to shareholders per share exceeds the Pre-IPO Equity attributable to Shareholders per Share (immediate accretion to the existing shareholder of the Issuer/Selling Shareholder per share)(in %).....	56.9

E.7 Estimated expenses charged to the investor by the issuer. Not applicable. We will not charge any expenses to investors in relation to the Offering.

2. ZUSAMMENFASSUNG DES PROSPEKTS

Zusammenfassungen bestehen aus geforderten Angaben, die als Punkte ("Punkte") bezeichnet sind. Diese Punkte sind in den Abschnitten A – E (A.1 – E.7) fortlaufend nummeriert. Diese Zusammenfassung enthält alle Punkte, die für die vorliegende Art von Wertpapier und Emittent in eine Zusammenfassung aufzunehmen sind. Da einige Punkte nicht behandelt werden müssen, können in der Nummerierungsreihenfolge Lücken auftreten. Selbst wenn ein Punkt wegen der Art des Wertpapiers und des Emittenten in die Zusammenfassung aufgenommen werden muss, ist es möglich, dass in Bezug auf diesen Punkt keine relevanten Informationen gegeben werden können. In solchen Fällen enthält die Zusammenfassung eine kurze Beschreibung des Punkts mit dem Hinweis "Entfällt".

A - Einleitung und Warnhinweise

A.1 Warnhinweise.

Diese Zusammenfassung sollte als Einleitung zu diesem Prospekt gelesen werden.

Anleger sollten jede Entscheidung, in die betreffenden Wertpapiere zu investieren, auf die Überprüfung dieses Prospekts in seiner Gesamtheit stützen.

Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, hat der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der der Mitgliedstaaten des Europäischen Wirtschaftsraums ("EEA") möglicherweise die Kosten für die Übersetzung des Prospekts oder der darin einbezogenen Dokumente zu tragen, bevor das Gerichtsverfahren eingeleitet werden kann.

capsensixx AG, Frankfurt am Main, Deutschland (die "**Gesellschaft**" oder die "**Emittentin**" und, zusammen mit unseren vollkonsolidierten Tochtergesellschaften, die "**Gruppe**", "**capsensixx**" oder "**wir**", "**uns**" oder "**unser**"), und die ICF BANK AG, Frankfurt am Main, Deutschland (der "**alleinige globale Koordinator**", der "**alleinige Bookrunner**" oder der "**Emissionsbank**"), haben die Verantwortung für den Inhalt der Zusammenfassung und ihrer deutschen Übersetzung gemäß § 5 Abs. 2b Nr. 4 des Wertpapierprospektgesetzes gemeinsam übernommen.

Die Personen, die für die Zusammenfassung einschließlich etwaiger Übersetzungen hiervon die Verantwortung übernommen haben oder von denen der Erlass der Veröffentlichung der Zusammenfassung ausgeht, können zur Verantwortung gezogen werden, jedoch nur für den Fall, dass die Zusammenfassung in Verbindung mit den Inhalten in den anderen Teilen dieses Prospekts irreführend, unrichtig oder widersprüchlich ist oder, wenn sie in Verbindung mit den Inhalten in den anderen Teilen dieses Prospekts nicht alle notwendigen wesentlichen Informationen enthält.

A.2 Informationen zur späteren Verwendung des Prospekts.

Die Emittentin stimmt der Verwendung des Prospekts ausdrücklich zu und übernimmt die Verantwortung für den Inhalt des Prospekts, jeweils für Zwecke der endgültigen Platzierung der Angebotsaktien in Deutschland während des Zeitraums vom Beginn der Angebotsfrist am 12. Juni 2018 bis zum 18. Juni 2018, durch von der ICF BANK AG involvierte Finanzintermediäre, die gemäß Artikel 4 Nummer 1 der Richtlinie 2006/48/EG des Europäischen Parlaments und des Rates vom 14. Juni 2006 in ihrer geänderten Fassung als Einlagenkreditinstitute zum Handel mit Wertpapieren lizenziert sind ("**Finanzintermediär**"). Die Emittentin kann ihre Einwilligung jederzeit widerrufen oder beschränken, wobei ein solcher Widerruf oder eine solche Beschränkung einen Prospektnachtrag erfordert.

Jeder von der ICF BANK AG involvierte Finanzintermediär, der den Prospekt verwendet, muss (i) auf seiner Website angeben, dass er den Prospekt in Übereinstimmung mit der Zustimmung und den damit verbundenen Bedingungen verwendet, und (ii) sicherstellen, dass er allen anwendbaren Gesetzen und Vorschriften in der jeweiligen Rechtsordnung

		entspricht. Im Falle eines Angebots eines Finanzintermediärs informiert der Finanzintermediär die Anleger über die Bedingungen des Angebots zum betreffenden Angebotszeitpunkt.
B -	Emittent	
B.1	Juristische und kommerzielle Bezeichnung.	Der rechtliche Name der Emittentin lautet capsensixx AG. Die Emittentin operiert primär unter der Firma “capsensixx”.
B.2	Sitz und Rechtsform des Emittenten, geltendes Recht, Land der Gründung.	Die Gesellschaft ist eine nach deutschem Recht gegründete Aktiengesellschaft und hat ihren Sitz in der Bundesrepublik Deutschland. Die Gesellschaft wurde am 10. November 2017 in Deutschland gegründet und am 28. November 2017 in das Handelsregister beim Amtsgericht Frankfurt am Main eingetragen. Der satzungsmäßige Sitz der Gesellschaft ist in Frankfurt am Main, Deutschland und die Geschäftsanschrift lautet Bettinastraße 57, 60325 Frankfurt am Main, Deutschland. Die Gesellschaft ist im Handelsregister des Amtsgerichts Frankfurt am Main unter der Nummer HRB 110258 eingetragen.
B.3	Derzeitige Geschäfts- und Haupttätigkeiten des Emittenten sowie die Hauptmärkte, in denen der Emittent vertreten ist.	<p>capsensixx konzentriert sich auf verschiedene Produkte und Dienstleistungen innerhalb der Finanzindustrie. Sie bietet “<i>Financial Administration as a Service</i>” (Finanzverwaltung als Dienstleistung) an, die Initiatoren und Entscheider in die Lage versetzen, sich auf ihre Investments und Leistungsziele zu konzentrieren, während die Spezialisten von capsensixx die administrativen Aufgaben, Risikomanagement, Überwachung, Controlling, Berichterstattung, Registrierung und andere regulatorische Aufgaben, die die Investments betreffen, abdecken. capsensixx bietet Entscheidungsträgern eine “Single Point of Entry” Plattform über alle Asset-Klassen und Produkte auf grenzüberschreitender Basis. Modernste Technologie, innovative Dienstleistungen und das Know-how der Mitarbeiter ermöglichen es den Kunden, sich auf ihre Kernaufgaben zu fokussieren, und unterstützen so das jeweilige Investment. Unsere Produkte und Dienstleistungen umfassen:</p> <p><i>Fund Management, Administration & Accounting:</i> Axxion S.A. (einschließlich ihrer luxemburgischen Tochtergesellschaft navAXX S.A und ihrer deutschen Tochtergesellschaft Axxion Deutschland Investmentaktiengesellschaft mit Teilgesellschaftsvermögen) (zusammen “Axxion”) bietet eine vollständig integrierte Infrastruktur für den gesamten Lebenszyklus eines Investmentfonds: Unsere Leistungen beginnen mit dem Aufsetzen der Investitionsstruktur, der Ausgabe und Zeichnung von Fondsanteilen und der Einholung der erforderlichen Genehmigungen und/oder Listings und decken das tägliche Verwaltungsgeschäft bis zur endgültigen Rücknahme oder Liquidation ab. Axxion erbringt außerdem Portfolio-Management-Dienstleistungen.</p> <p><i>Capital Markets & Corporate Services:</i> Oaklet GmbH, zusammen mit ihrer luxemburgischen Tochtergesellschaft Oaklet S.A. (zusammen “Oaklet”), bietet Beratungsdienstleistungen im Bereich Financial Engineering, die Initiatoren und Investoren dabei unterstützen, ihre Investitionsstruktur entsprechend ihren individuellen, wirtschaftlichen, regulatorischen und steuerlichen Anforderungen aufzusetzen. Oaklet arrangiert und koordiniert alle Fremd-Dienstleister im Zusammenhang mit der Emission, dem Zeichnungsprozess sowie der Investitions- und der Rücknahmephase. Darüber hinaus bietet die Oaklet S.A. als regulierter Corporate Service Provider den Gesellschaften ihrer Kunden Direktoren- und Verwaltungsdienste.</p> <p><i>Digitization & IT-services:</i> Durch die Gründung von Start-Ups, durch Investitionen in solche Unternehmen und durch weitere Akquisitionen beabsichtigt capsensixx sein Dienstleistungsangebot im Bereich Digitalisierung und IT-Services zu erweitern, ausgerichtet auf disruptive Technologien zur Reduzierung des operativen Aufwands, auf Automatisierung individueller Workflows und auf selbstlernende und sich selbst anpassende Software aus dem</p>

B.4a Wichtigste jüngste Trends, die den Emittenten und die Branchen, in denen er tätig ist, betreffen.

Bereich der künstlichen Intelligenz. Neben Kosteneinsparungen und verbesserten Effizienzpotenzialen ermöglichen diese Dienste den Kunden, ihre Datenanalysen an ihre Datenanforderungen anzupassen.

Unsere Gruppe hat eine sehr ausgewogene Mischung von Kunden, bestehend aus multinationalen Unternehmen, Finanzinstitutionen, alternativen Investmentmanagern und Family Offices.

Wir glauben, dass unsere Kunden die Qualität unserer diversifizierten Fonds-, Verwaltungs- und Unternehmensdienstleistungen, unser globales Netzwerk, unser Bekenntnis zu Kundenbeziehungen sowie unser Fachwissen, unsere Zuverlässigkeit und Reaktionsfähigkeit schätzen.

Innerhalb der operativen Gesellschaften haben wir zum 31. März 2018 eine qualifizierte Belegschaft von 83,75 Fachleuten (zum 31. Dezember 2017: 79,5) (durchschnittliche Mitarbeiterzahl), von denen die Mehrheit einen höheren Ausbildungs- oder Hochschulabschluss aufweist. Die Qualität und das Fachwissen unserer Mitarbeiter ist der Schlüssel, um unseren Kunden hochwertige Mehrwert schaffende Dienste zu bieten und langfristige Beziehungen zu unseren Kunden aufzubauen.

Assets under Management (“AuM”) werden weiterhin schnell wachsen. PricewaterhouseCoopers schätzt in ihrem Branchenbericht “Asset & Wealth Management Revolution” (2017), dass sich die AuM auf globaler Ebene bis 2025 fast verdoppeln werden – von USD 84,9 Billionen im Jahr 2016 auf USD 145,4 Billionen im Jahr 2025.

Die Anleger haben sich zunehmend alternativen Investments zugewendet, um die Performance ihrer Investments zu verbessern und ihre Portfolios zu diversifizieren. Laut Preqins Investor Outlook: Alternative Assets, H1 2017, repräsentiert die globale Alternative Investment-Branche derzeit insgesamt 7,7 Billionen US-Dollar, die in Hedge-Fonds und private Kapitalanlagen investiert sind, mit einem Zuwachs in 2016 um 300 Milliarden US-Dollar.

capsensixx ist der Ansicht, dass derzeit einige wichtige Entwicklungen in der Fonds-, Investment- und Asset-Management-Branche stattfinden, in denen es tätig ist:

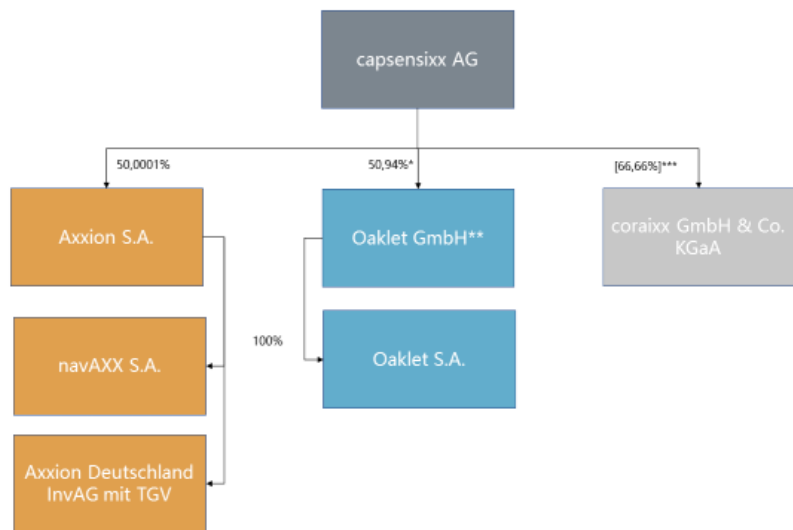
- Vermögensverwalter spielen eine immer wichtigere Rolle bei der Bereitstellung von Kapital für die Wirtschaft, indem sie die Bankenrestriktionen aufgrund von Regulierungs- und Kapitalbeschränkungen nutzen.
- Niedrige Zinssätze führen zu einer Verlagerung von nicht verwalteten Vermögenswerten wie Geld- und Einlagenkonten in verwaltete Portfolios.
- Asset Manager entwickeln neue digitale Vertriebskapazitäten, um auf Privatkunden-/Direktkunden-Kanäle wie Robo-Advisory, insbesondere bei jüngeren Kunden, zuzugreifen.
- Steigende regulatorische Komplexität und der anhaltende Kostendruck tragen zur Konsolidierung der Branche und des Wachstums von Unternehmen bei, die Verwaltungstätigkeiten für die Fonds-, Investment- und Asset-Management-Branche bereitstellen.
- Aufgrund der zunehmenden Komplexität der Vorschriften hat das Outsourcing zugenommen, da kleine und mittlere Portfolio- und Vermögensverwalter nicht mehr über die Zeit, das Know-how, die Ressourcen oder die Risikobereitschaft verfügen, um die erforderlichen Dienstleistungen intern zu erbringen.

- Die sich wandelnden Kundenbedürfnisse erfordern eine Verschiebung hin zu beratenden Kundenengagements, um lösungsbasierte kundenspezifischen Dienstleistungen anbieten zu können.
- Die Digitalisierung und die technische Weiterentwicklung bieten den Portfoliomanagern, den Aufsichtsbehörden und letztlich den Investoren zusätzliche Transparenz. Die Back-Office-Funktionen in der Asset-Management-Branche werden weiter automatisiert werden und leichter zu erledigen sein.
- Die Kunden definieren die Vorteile von Outsourcing neu, indem sie ihre Dienstleister auffordern, einen Mehrwert über die Kostensenkung hinaus zu schaffen, indem sie beispielsweise neue Leistungsindikatoren bereitstellen, die benötigte Kapazität bereitstellen und die funktionalen Fähigkeiten verbessern.

B.5 Beschreibung der Gruppe und der Stellung des Emittenten innerhalb der Gruppe.

Die Emittentin ist eine Holdinggesellschaft mit direkten beziehungsweise indirekten Beteiligungen an der Axxion S.A. (Luxemburg), der Axxion Deutschland Investmentaktiengesellschaft mit Teilgesellschaftsvermögen (Deutschland), der navAXX S.A. (Luxemburg), der Oaklet GmbH (Deutschland) und der Oaklet S.A. (Luxemburg), die in Luxemburg und Deutschland hochwertige Fonds-, Verwaltungs- und Unternehmensdienstleistungen erbringen.

Die nachfolgende Graphik veranschaulicht die Struktur der Gruppe zum Zeitpunkt dieses Prospekts (Prozentangaben gerundet):



* Anteil ohne die Zurechnung des von der Oaklet GmbH gehaltenen eigenen Geschäftsanteils.

** Die Oaklet GmbH hält einen Geschäftsanteil in Höhe von 5,42% ihres Stammkapitals.

*** Wirtschaftliche Beteiligung in Höhe von rund 66,66%. Die Emittentin hält 50% an der coraixx GmbH, dem Komplementär der coraixx GmbH & Co. KGaA, und 100% der Aktien der coraixx GmbH & Co. KGaA (in Gründung), was insgesamt einer wirtschaftlichen Beteiligung der Emittentin an der coraixx GmbH & Co. KGaA von rund 66,66% entspricht. Die Geschäftsaufnahme dieser Beteiligung steht unter der Bedingung der Erlöse aus der Platzierung der neuen Aktien.

<p>B.6 Personen, die eine direkte oder indirekte (meldepflichtige) Beteiligung am Kapital und den Stimmrechten des Emittenten haben.</p>	<p>Zum Datum dieses Prospekts hält die PEH Wertpapier AG (der “Verkaufende Aktionär”) direkt 3.100.000 bestehende, auf den Inhaber lautende Stückaktien ohne Nennwert der Gesellschaft, die 100% des ausgegebenen und ausstehenden Aktienkapitals und der Stimmrechte der Gesellschaft repräsentieren.</p>
<p>Stimmrechte.</p>	<p>Nach dem Abschluss des Angebots entsprechend diesem Prospekt - unter der Annahme, dass die Greenshoe-Option (siehe hierzu E.3) nicht ausgeübt wird - wird der Verkaufende Aktionär, im Falle einer vollständigen Platzierung der Basisaktien (siehe hierzu E.3), unmittelbar ungefähr 75,00% der Aktien der Gesellschaft halten. Im Falle einer vollständigen Platzierung der angebotenen Aktien (siehe hierzu E.3) - unter der Annahme, dass die Greenshoe-Option (siehe hierzu E.3) vollständig ausgeübt wird - wird der Verkaufende Aktionär direkt ungefähr 71,25% der Aktien der Gesellschaft halten.</p>
<p>Unmittelbare oder mittelbare Beherrschung des Emittenten und Art der Beherrschung.</p>	<p>Jede Aktie der Emittentin berechtigt in der Hauptversammlung der Emittentin zu einer Stimme. Stimmrechtsbeschränkungen bestehen nicht. Alle Aktien haben identische Stimmrechte.</p>
<p>B.7 Ausgewählte wesentliche historische Finanzinformationen.</p>	<p>Der Verkaufende Aktionär besitzt mehr als 30% der Stimmrechte an der Emittentin und wird daher als Inhaber einer kontrollierenden Beteiligung an der Emittentin gemäß dem deutschen Wertpapiererwerbs- und Übernahmegesetz angesehen und mit einer Mehrheit von mehr als 50% der Stimmrechte an der Emittentin wird der Verkaufende Aktionär auch aus Sicht des Aktiengesetzes als beherrschender Gesellschafter angesehen. Die Stimmrechte des Verkaufenden Aktionärs unterscheiden sich in keiner Weise von den Rechten, die mit anderen Aktien verbunden sind. Die Grenzen des deutschen Rechts, insbesondere des Aktiengesetzes, in Bezug auf die Fähigkeit eines beherrschenden Aktionärs, die Beherrschung unangemessen auszuüben, wurden von dem Verkaufenden Aktionär und der Emittentin beachtet. Es gibt keine besonderen Bestimmungen in der Satzung der Emittentin, die sicherzustellen, dass diese Beherrschung nicht missbraucht wird.</p>
<p>B.7 Ausgewählte wesentliche historische Finanzinformationen.</p>	<p>Die in den folgenden Tabellen enthaltenen Finanzinformationen stammen aus den kombinierten Abschlüssen der Gesellschaft zum 31. Dezember 2017 (“Historisches Geschäftsjahr 2017”), 31. Dezember 2016 (“Historisches Geschäftsjahr 2016”) und 31. Dezember 2015 (“Historisches Geschäftsjahr 2015”) und dem ungeprüften Zwischenabschluss für den Dreimonatszeitraum vom 1. Januar 2018 bis zum 31. März 2018. Die geprüften kombinierten Abschlüsse und der ungeprüfte Zwischenabschluss wurden in Übereinstimmung mit den von der Europäischen Union übernommenen International Financial Reporting Standards (“IFRS”) erstellt. Da Axxion S.A. und Oaklet GmbH zusammen mit ihren Tochtergesellschaften erstmalig zum 28. März 2018 bei der capsensixx AG konsolidiert wurden, enthalten die Bilanz und die Eigenkapitalveränderungsrechnung zum 31. März 2018 im ungeprüften Zwischenabschluss jeweils konsolidierte Finanzinformationen. Vor dem 28. März 2018 war capsensixx keine Gruppe im Sinne von IFRS 10. Im ungeprüften Zwischenabschluss zum 31. März 2018 wurden die Gewinn- und Verlustrechnung, die Gesamtergebnisrechnung und die Kapitalflussrechnung sowie der Anhang für den Zeitraum vom 1. Januar 2018 bis 28. März 2018 auf der Grundlage einer Kombination der IFRS-Abschlüsse der Axxion, Oaklet und der capsensixx AG erstellt (kombinierte Finanzinformationen). Die geprüften kombinierten Abschlüsse wurden von der Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, als unabhängiger Abschlussprüfer geprüft.</p>
<p>B.7 Ausgewählte wesentliche historische Finanzinformationen.</p>	<p>Wenn die Finanzdaten in den folgenden Tabellen als “geprüft” gekennzeichnet sind, bedeutet dies, dass sie aus den geprüften kombinierten Abschlüssen stammen. Das Etikett “ungeprüft” wird in den folgenden Tabellen verwendet,</p>

um Finanzdaten zu kennzeichnen, die nicht den oben genannten geprüften Abschlüssen entnommen wurden, sondern entweder aus unserem ungeprüften Zwischenabschluss oder dem internen Berichtssystem der Emittentin stammen oder auf der Basis von Zahlen aus den zuvor genannten Quellen berechnet wurden. Die im folgenden Text und in den Tabellen dargestellten Finanzinformationen werden in tausend Euro angegeben (“**TEUR**” oder “**TE**”) (EUR tausend), sofern nicht anders angegeben.

Bestimmte Finanzdaten (einschließlich Prozentangaben) in den folgenden Tabellen wurden kaufmännisch gerundet. Aufgrund von Rundungseffekten können sich die aggregierten Werte in den Tabellen von den dargestellten Summen unterscheiden und die aggregierten Prozentsätze entsprechen möglicherweise nicht exakt 100%. Darüber hinaus können die gerundeten Summen und Zwischensummen in den Tabellen geringfügig von ungerundeten Zahlen abweichen, die an anderer Stelle in diesem Prospekt angegeben sind. Darüber hinaus addieren sich diese gerundeten Zahlen in diesen Tabellen möglicherweise nicht genau zu den in diesen Tabellen enthaltenen Gesamtsummen.

Ausgewählte Finanzinformationen aus der Gewinn- und Verlustrechnung

<i>in T€</i>	Drei Monate endend am		Geschäftsjahr endend am		
	31. März 2018	31. März 2017	31. Dez. 2017	31. Dez. 2016	31. Dez. 2015
	<i>(ungeprüft)</i>	<i>(ungeprüft)</i>	<i>(geprüft)</i>	<i>(geprüft)</i>	<i>(geprüft)</i>
Umsatzerlöse	25.428	15.289	116.200	65.544	69.455
Sonstige betrieblichen Erträge...	260	143	694	753	943
Umsatzkosten.....	-20.295	-11.056	-96.583	-48.768	-52.486
Löhne und Gehälter.....	-1.367	-1.135	-5.331	-4.708	-4.399
Sozialabgaben und Aufwendungen für Altersversorgung und Unterstützung	-362	-312	-1.408	-1.187	-983
Abschreibungen und Wertberichtigungen.....	-258	-235	-976	-752	-566
Sonstige betriebliche Aufwendungen.....	1616	-1.251	-5.433	-5.085	5.133
Finanzerträge.....	0	0	31	40	0
Sonstige Zinsen und ähnliche Erträge.....	6	3	31	12	52
Finanzaufwendungen.....	-1	-1	-8	-6	-5
Ergebnis vor Steuern	1.795	1.445	7.217	5.843	6.878
Steuern vom Einkommen und Ertrag.....	-541	-485	2.241	-1.772	-2.048
Periodenergebnis	1.254	960	4.976	4.071	4.830
- davon entfallen auf nicht-beherrschende Anteile	631	478	2.447	2.011	2.390
- davon entfallen auf Anteilseigner der capsensixx AG	623	482	2.529	2.060	2.440

Ausgewählte Finanzinformationen aus der Bilanz

<i>in T€</i>	31. März 2017	31. Dez. 2017	31. Dez. 2016	31. Dez. 2015
	<i>(ungeprüft)</i>	<i>(geprüft)</i>	<i>(geprüft)</i>	<i>(geprüft)</i>
Aktiva				
Anlagevermögen				
Geschäfts- und Firmenwert.....	588	44	44	44
Andere immaterielle Vermögenswerte	1.738	1.845	2.124	1.036
Sachanlagevermögen.....	866	932	946	1.036
Sonstiges Anlagevermögen.....	540	562	647	560
Aktive latente Steuern	88	105	195	167
Langfristige Vermögenswerte	3.820	3.488	3.956	2.843
Umlaufvermögen				
Forderungen aus Lieferungen.....	8.575	44.526	13.140	14.531
Ertragssteuern.....	87	139	112	77
Kurzfristige Vermögensgegenstände	1.094	461	2.156	1.119
Finanzinstrumente ¹	3.550	3.536	1.947	1.204
Zahlungsmittel und Guthaben bei Kreditinstituten	6.293	4.961	3.798	6.849
Umlaufvermögen	19.599	53.623	21.153	23.780
Summe der Aktiva.....	23.419	57.111	25.109	26.623
Passiva				
Eigenkapital				
Gezeichnetes Kapital.....	100	100	100	100
Gewinnrücklagen.....	4.460	83	42	53
Gewinnvortrag	0	192	-138	-343
Periodenergebnis	623	2.529	2.060	2.440
Eigenkapitalanpassung aus der Erstkonsolidierung für Zwecke der kombinierten Abschlüsse.....		2.670	2.670	2.670
Ausgleichsposten für sukzessiven Anteilserwerb		360	360	360
Sonstige Eigenkapitalbestandteile ² ...	1.789			
Eigenkapital ausschließlich nicht-beherrschender Anteile	6.973	5.934	5.094	5.280
Nicht beherrschende Anteile	6.306	5.648	4.818	4.945
Langfristige Verbindlichkeiten ..	160	215	223	186
Kurzfristige Verbindlichkeiten...	9.980	45.314	14.974	16.212
Summe der Passiva.....	23.419	57.111	25.109	26.623

¹ In Übereinstimmung mit IFRS 9 sind Finanzinstrumente, die zuvor in unseren kombinierten Abschlüssen als zur Veräußerung verfügbare Vermögenswerte klassifiziert wurden, ab dem 1. Januar 2018 im Zwischenabschluss zu Kennziffern nach IFRS 9 umklassifiziert worden.

² Der Posten "Sonstige Eigenkapitalbestandteile" enthält den Betrag der Kapitalerhöhung, die zum Zeitpunkt der Bilanzerstellung noch nicht im Handelsregister eingetragen war (T€ 3,000), den Unterschiedsbetrag aus der Erstkonsolidierung nach der Methode der Buchwertfortführung (T€ -1,061) und Aufwendungen im Zusammenhang mit der Emission neuer Aktien und der Zulassung zum Handel an der Frankfurter Wertpapierbörse (T€ -150).

Ausgewählte Finanzinformationen aus der Kapitalflussrechnung

in T€

	Drei Monate endend am		Geschäftsjahr endend am		
	31. März 2018	31. März 2017	31. Dez. 2017	31. Dez. 2016	31. Dez. 2015
	(ungeprüft)	(ungeprüft)	(geprüft)	(geprüft)	(geprüft)
Cashflow aus laufender Geschäftstätigkeit.....	1.417	448	5.232	3.141	5.946
Cashflow aus Investitionstätigkeit.	-85	-241	-684	-1.827	-1.286
Cashflow aus Finanzierungstätigkeit.....	0	0	-3.385	-4.366	-3.496
Änderungen im Finanzmittelfonds...	1.332	207	1.163	-3.052	1.164
Finanzmittel zu Beginn des Jahres...	4.961	3.798	3.798	6.850	5.686
Finanzmittelfonds am Ende des Jahres.....	6.293	4.005	4.961	3.798	6.850

Wesentliche Änderungen der Finanzlage und des Betriebsergebnisses des Emittenten während oder nach dem Zeitraum, der von den wesentlichen historischen Finanzinformationen abgedeckt wird.

Ertragslage

Unsere Umsatzerlöse stiegen im Historischen Geschäftsjahr 2017 um € 50,7 Mio. oder 77 % auf € 116,2 Mio., von € 65,5 Mio. im Historischen Geschäftsjahr 2016. Diese Veränderung war hauptsächlich auf den Nettozufluss von verwaltetem Vermögen, die Übernahme der Managementfunktion für einen (seinerzeit) € 2,2 Milliarden schweren Fonds (Frankfurter Aktienfonds für Stiftungen) als neuen Kunden und ein positives Kapitalmarktumfeld zurückzuführen. Unser Umsatz ging im Historischen Geschäftsjahr 2016 um € 3,9 Mio. oder 6 % auf € 65,5 Mio. gegenüber € 69,5 Mio. im Historischen Geschäftsjahr 2015 zurück. Diese Veränderung war hauptsächlich der volatilen Marktumgebung sowie den rückläufigen Erfolgsprämien für unsere Kunden geschuldet.

Unser Ergebnis vor Steuern erhöhte sich im Historischen Geschäftsjahr 2017 um € 1,4 Mio. oder 24 % auf € 7,2 Mio. von € 5,8 Mio. im Historischen Geschäftsjahr 2016. Diese Veränderung resultierte hauptsächlich aus dem Nettozufluss von verwaltetem Vermögen, der Übernahme der Managementfunktion für den Frankfurter Aktienfonds für Stiftungen und einem positiven Kapitalmarktumfeld. Im Historischen Geschäftsjahr 2016 ging unser Ergebnis vor Steuern von € 6,9 Mio. im Historischen Geschäftsjahr 2015 um € 1 Mio. oder 16 % auf € 5,8 Mio. zurück, was hauptsächlich auf einen allgemeinen Rückgang des Umsatzes und den Margendruck bei Verwaltungsdienstleistungen zurückzuführen ist.

Das den Anteilseignern der capsensixx AG zurechenbare Periodenergebnis erhöhte sich im Historischen Geschäftsjahr 2017 um € 0,4 Mio. oder 19 % auf €

2,5 Mio. von € 2,1 Mio. im vorhergehenden Geschäftsjahr und ging im Historischen Geschäftsjahr 2016 um € 0,4 Mio. oder 16 % auf € 2,1 Mio. von € 2,4 Mio. im Historischen Geschäftsjahr 2015 zurück.

Wesentliche Änderungen der Finanzlage und der Betriebsergebnisse nach dem Zeitraum, der von den historischen Finanzkennzahlen abgedeckt wird.

Die unwiderrufliche und unbedingte Übertragung von 50,0001% der Aktien der Axxion SA und von 50,94% der Aktien der Oaklet GmbH von der PEH Wertpapier AG auf die capsensixx AG wurde am 28. März 2018 vereinbart und ist mit Eintragung der entsprechenden Kapitalerhöhung der capsensixx AG auf ein Grundkapital von € 3.100.000 am 18. April 2018 wirksam geworden. Diese Übertragung hat zu einem signifikanten Anstieg der Vermögenswerte und des Eigenkapitals in der unkonsolidierten Bilanz der Gesellschaft geführt. Darüber hinaus haben sich seit dem 31. Dezember 2017 keine wesentlichen Änderungen in der Finanzlage und den Betriebsergebnissen der Gesellschaft ergeben.

Jüngste Entwicklungen

capsensixx konnte ihren starken Wachstumstrend im ersten Quartal 2018 verglichen mit dem ersten Quartal 2017 forsetzen. Diese Entwicklung basiert insbesondere auf gestiegenen Umsätzen mit existierenden Kunden durch Netto-Mittelzuflüsse in unseren beiden Segmenten (i) „Fund Administration & Accounting“ und (ii) „Capital Markets & Corporate Services“, neuen Strukturen als auch auf Geschäften mit neuen Kunden.

B.8	Ausgewählte wesentliche Pro-forma-Finanzinformationen.	Entfällt. Die Emittentin hat keine Pro-forma-Finanzinformationen zur Einbeziehung in diesen Prospekt erstellt.
B.9	Gewinnprognosen oder -schätzung.	Entfällt. Eine Gewinnprognose oder -schätzung wird von der Emittentin nicht vorgelegt.
B.10	Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen.	Entfällt. Die Bestätigungsvermerke des Abschlussprüfers zu den in diesem Prospekt enthaltenen historischen Finanzinformationen wurden ohne Einschränkungen erstellt.
B.11	Mangel an Geschäftskapital des Emittenten zur Erfüllung bestehender Anforderungen.	Entfällt. Die Emittentin ist der Ansicht, dass capsensixx in der Lage ist, sämtliche Zahlungsverpflichtungen zu erfüllen, die in den nächsten mindestens zwölf Monate fällig werden.
C -	Wertpapiere	
C.1	Art und Gattung der angebotenen und / oder zuzulassenden Wertpapiere.	Auf den Inhaber lautende Stammaktien (Stückaktien) (die “Aktien”), jede dieser Aktien mit einem rechnerischen Anteil am Grundkapital von EUR 1,00 und mit voller Gewinnanteilsberechtigung ab dem 1. Januar 2018.
	Wertpapierkennung	International Securities Identification Number (ISIN): DE000A2G9M17 Wertpapierkennnummer, WKN: A2G9M1 Börsenkürzel: CPX
C.2	Währung.	Die Aktien lauten auf Euro. Die Rechnungslegungswährung ist ebenfalls Euro.

C.3	Die Anzahl der ausgegebenen und voll eingezahlten Aktien.	Zum Datum dieses Prospekts besteht unser ausstehendes und ausgegebenes Aktienkapital aus 3.100.000 Aktien. Alle ausgegebenen und ausstehenden Aktien sind vollständig eingezahlt.
	Nennwert pro Aktie, oder Angabe dass die Aktien keinen Nennwert haben.	Jede Aktie entspricht einem rechnerischen Anteil von 1,00 EUR am Grundkapital der Emittentin.
C.4	Beschreibung der mit den Wertpapieren verbundenen Rechte.	Jede Aktie gewährt auf der Hauptversammlung der Gesellschaft eine Stimme. Es bestehen keine Stimmrechtsbeschränkungen und der bestehende Aktionär der Gesellschaft hat keine unterschiedlichen Stimmrechte. Die Aktien der Gesellschaft sind ab dem 1. Januar 2018 voll dividendenberechtigt.
C.5	Beschreibung aller etwaigen Beschränkungen für die freie Übertragbarkeit der Wertpapiere.	Entfällt. Die Aktien der Emittentin sind gemäß den gesetzlichen Bestimmungen für Inhaberstammaktien frei übertragbar. Es bestehen keine Beschränkungen hinsichtlich der Übertragbarkeit der Aktien in der Satzung der Emittentin.
C.6	Antrag auf Zulassung zum Handel an einem regulierten Markt und Nennung der regulierten Märkte, auf denen die Wertpapiere gehandelt werden sollen.	Die Emittentin beantragt die Zulassung der Aktien der Emittentin zum Handel im regulierten Markt der Frankfurter Wertpapierbörse und gleichzeitig zum Teilssegment desselben mit zusätzlichen Zulassungsfolgepflichten (Prime Standard) am oder um den 11. Juni 2018. Die Zustimmung zur Zulassung der Aktien der Emittentin wird voraussichtlich am 20. Juni 2018 erteilt. Der Beginn des Handels der Aktien der Emittentin an der Frankfurter Wertpapierbörse ist für den 21. Juni 2018 geplant.
C.7	Dividendenpolitik.	<p>Der Emittent hat in der Vergangenheit keine Dividenden gezahlt. Entsprechend unseren geprüften kombinierten Abschlüssen machten die durch ihre Tochtergesellschaften Axxion S.A. und Oaklet GmbH gezahlten Dividenden im Historischen Geschäftsjahr 2017 83% des Periodenergebnisses (kombinierter Jahresüberschuss) des Historischen Geschäftsjahres 2016 aus. Im Historischen Geschäftsjahr 2016 betragen die gezahlten Dividenden 90% des Periodenergebnisses (kombinierter Jahresüberschuss) des Historischen Geschäftsjahres 2015. Die Emittentin beabsichtigt derzeit, eine Dividende von mehr als 50% des jährlichen (Konzern-) Jahresüberschusses der Emittentin, soweit er den Aktionären der capsensixx AG zurechenbar ist, auszuschütten. Die Emittentin beabsichtigt, jährlich Dividenden auszuschütten.</p> <p>Die Absichten der Emittentin in Bezug auf Dividendenzahlungen unterliegen einer Reihe von Annahmen, Risiken und Unsicherheiten, von denen viele außerhalb unserer Kontrolle liegen. Darüber hinaus unterliegt die Dividendenpolitik Änderungen, da unser Vorstand die Dividendenpolitik von Zeit zu Zeit überprüfen wird, insbesondere wenn dies durch künftige Wachstumsziele angezeigt sein könnte.</p>

D - Risiken

Eine Anlage in die Aktien der Emittentin unterliegt einer Reihe von Risiken. Potenzielle Anleger sollten die folgenden Risiken zusammen mit allen anderen in diesem Prospekt enthaltenen Informationen sorgfältig prüfen, bevor sie eine Anlageentscheidung bezüglich der Aktien der Emittentin treffen. Die folgenden Risiken, allein oder zusammen mit zusätzlichen Risiken und Unsicherheiten, die uns derzeit nicht bekannt sind oder die wir derzeit als unwesentlich erachten, könnten sich wesentlich nachteilig auf unser Geschäft, unsere Finanzlage und unser Betriebsergebnis auswirken. Der Marktpreis der Aktien der Emittentin könnte sinken, wenn einige oder alle dieser Risiken eintreten würden. In diesem Fall könnten potenzielle Anleger ihre Anlage ganz oder teilweise verlieren.

Die Reihenfolge, in der die folgenden Risiken dargestellt werden, ist kein Hinweis auf die Wahrscheinlichkeit, dass diese Risiken tatsächlich eintreten oder auf ihre wahrscheinliche Signifikanz oder ihren Grad oder auf den Umfang eines potenziellen Schadens für unser Geschäft, Finanzlage oder Betriebsergebnis.

D.1 Hauptrisiken für den Emittenten und seine Branche.

Markt- und geschäftsbezogene Risiken

- Der Verlust von Mitgliedern unseres Managementteams oder bestimmter Mitarbeiter der Gruppe, das Versäumnis, Mitarbeiter mit entsprechenden Qualifikationen, Erfahrungen und Geschäftsbeziehungen zu gewinnen und zu binden, oder der Anstieg von Personalkosten können erhebliche negative Auswirkungen auf unser Geschäft haben.
- Negative Bewegungen an den Finanzmärkten können unsere Erträge und unser Ergebnis erheblich beeinflussen.
- Die Nachfrage nach Asset-Management-Produkten hängt von Faktoren ab, die sich unserer Kontrolle entziehen und die sich auf den Sektor Asset Management insgesamt auswirken. Faktoren außerhalb unserer Kontrolle, die negativen Einfluss auf die Nachfrage nach Asset-Management-Produkten und/oder den Mittelzufluss in Fonds – für die wir administrative Leistungen erbringen – haben, und/oder die zur Verringerung des Aufsetzens neuer Fonds und/oder Verbriefungsstrukturen führen, können das Volumen der von uns administrierten Fondsvermögen vermindern (*assets under administration*) und eine Verminderung unserer Gebühren, unserer Erlöse und des Ergebnisses unserer Geschäftstätigkeit verursachen.
- Die Anlageklassen, für die wir Verwaltungsdienstleistungen erbringen, können für Anleger weniger attraktiv werden.
- Wir sind in einem wettbewerbsintensiven Markt tätig und wenn wir nicht in der Lage sind, effektiv wettbewerbsfähig zu bleiben, bestehende Kunden zu halten, unseren bestehenden Kunden zusätzliche oder neue Dienstleistungen anzubieten oder neue Kunden zu gewinnen, könnten unser Marktanteil, Rentabilität und Umsatz erheblich beeinträchtigt werden.
- Der Wechsel von aktivem zu passivem Asset Management in der Fondsindustrie erhöht den Druck auf unsere Margen und könnte das Volumen von aktiv verwalteten Vermögenswerten, für die wir Verwaltungsdienstleistungen erbringen, erheblich reduzieren.
- Wenn wir mit technologischen Innovationen und Verbesserungen der Industrie nicht Schritt halten, könnten wir uns dem Wettbewerb aussetzen und unsere Geschäftstätigkeit negativ beeinflussen.
- Jeder Schaden für unsere Reputation oder Marke könnte erhebliche nachteilige Auswirkungen auf unser Geschäft, unsere Geschäftsergebnisse und unsere finanzielle Situation haben.
- Ausfälle oder Störungen in unserer Informationstechnologie und anderen betrieblichen Systemen könnten sich erheblich nachteilig auf unser

Geschäft, unsere Geschäftsergebnisse und unsere Finanzlage auswirken.

- Wir sind auf unseren Versicherungsschutz angewiesen, insbesondere auf unsere Versicherung für Direktoren und Führungskräfte und die Berufshaftpflichtversicherung, und wir können diese Deckung in der Zukunft möglicherweise nicht erhalten oder aufrechterhalten. Eine solche Deckung könnte sich als unzureichend erweisen und wir könnten Streitigkeiten mit unseren Versicherern haben.
- Sollte es uns nicht gelingen, die primäre Tranche unserer Aktien im Rahmen des mit diesem Prospekt bezweckten Angebots (IPO-Kapitalerhöhung) erfolgreich zu platzieren und Nettoerlöse von EUR 5 Mio. (was einem Angebotspreis von weniger als EUR 17,00 entspricht) zu erzielen, könnten wir den Erwerb von Lizenzen von der INQUENCE GmbH gegebenenfalls nicht finanzieren und das Neugeschäft innerhalb der kürzlich gegründeten coraixx GmbH & Co. KGaA nicht ausbauen.
- Es kann sein, dass wir einige oder alle der in diesem Prospekt enthaltenen mittelfristigen Ziele nicht erreichen.
- Aufgrund der internationalen Ausrichtung unseres Geschäfts sind wir einer Vielzahl von wirtschaftlichen, rechtlichen, steuerlichen und sonstigen Risiken ausgesetzt.
- Das Versagen unserer "Know-your-customer" (Anti-Geldwäsche)-Kontrollen oder Compliance-Funktion könnte zu einer Vertretung von Kunden führen, die Reputationschäden, Strafen und andere regulatorische Maßnahmen zur Folge haben.
- Ein deutlicher Rückgang der ausländischen Direktinvestitionen könnte erhebliche negative Auswirkungen auf unser Geschäft haben.
- Ein längerer oder bedeutender wirtschaftlicher Abschwung oder eine erhebliche Verringerung grenzüberschreitender Transaktionen, von Kapitalmarkt- oder Fondstätigkeiten können sich nachteilig auf unser Geschäft, unsere Geschäftsergebnisse und unsere Finanzlage auswirken.
- Unsere Kunden können versuchen, die von uns erbrachten Dienstleistungen intern durchzuführen, was zu einem Rückgang der Nachfrage nach unseren Dienstleistungen führen würde.
- Im Zusammenhang mit Akquisitionen können wir in der Zukunft unbeabsichtigt tatsächliche oder potenzielle Verbindlichkeiten erwerben.
- Es könnte sein, dass wir die erwarteten Vorteile aus zukünftigen Akquisitionen nicht erfolgreich integrieren oder erzielen können. Unternehmensakquisitionen erhöhen das Risikoprofil unseres Geschäfts.
- Es kann sein, dass wir keine geeigneten Akquisitionskandidaten oder Investitionsmöglichkeiten identifizieren oder erwerben oder unangemessene Akquisitionen oder Investitionen tätigen, die unsere Fähigkeit beeinträchtigen könnten, unsere strategischen Ziele zu erreichen.
- Wir sind möglicherweise nicht in der Lage, in eine bestimmte Rechtsordnung zu expandieren oder unser Dienstleistungsangebot zu erweitern, wie dies von aktuellen oder potenziellen Kunden gefordert wird.

Risiken in Bezug auf unsere Geschäftstätigkeit, Finanzlage und Gruppenstruktur

- Unsere Unfähigkeit, Kapital aufzunehmen, könnte unsere Fähigkeit beeinträchtigen, unsere strategischen Pläne umzusetzen.
- Die Gesellschaft verlässt sich auf ihre operativen Tochtergesellschaften, um ihr die zur Erfüllung der finanziellen Verpflichtungen des Unternehmens erforderlichen Mittel zur Verfügung zu stellen, und unsere Fähigkeit, Dividenden zu zahlen, kann eingeschränkt sein.
- Unsere kombinierten Abschlüsse enthalten wesentliche immaterielle

Vermögenswerte, insbesondere Software, die wertgemindert sein könnten.

Risiken in Bezug auf unsere Steuerposition

- Wir tätigen Geschäfte in mehreren Ländern und sind den Steuergesetzen dieser Rechtsordnungen ausgesetzt, einschließlich der Risiken im Zusammenhang mit Angriffen auf unsere Steuerposition.
- Änderungen von Steuerabkommen, Gesetzen, Regeln oder Interpretationen oder ein negatives Ergebnis von Steuerprüfungen könnten eine wesentliche nachteilige Auswirkung auf uns haben.

Regulatorische und rechtliche Risiken

- Wir unterliegen ebenso wie die von uns angebotenen Produkte und Dienstleistungen den Gesetzen und Vorschriften in Bezug auf die Fonds-, Anlage- und Unternehmensdienstleistungsbranche sowie der Aufsicht durch eine Reihe von Aufsichtsbehörden. Darüber hinaus unterliegen eine erhebliche Anzahl von Dienstleistern, an die wir bestimmte Tätigkeiten ausgelagert haben, sowie die von diesen Dienstleistern erbrachten Dienstleistungen ebenfalls einer Aufsicht. Schließlich unterliegt ein Teil unserer Kunden der Finanzmarktregulierung einschließlich der Banken- und Versicherungsregulierung. Die Auswirkungen der laufenden globalen und regionalen Regulierungsreform auf unser Geschäft sind ungewiss.
- Als Anbieter von Fondsverwaltung, Fondsadministration und -buchhaltung, Kapitalmarkt- und Unternehmensdienstleistungen sowie Digitalisierung und IT-Dienstleistungen sind wir in einem für Rechtsstreitigkeiten sensiblen Umfeld tätig und anfällig für Rechtsstreitigkeiten und Ansprüchen.
- Eine wesentliche Änderung der Gesetze und Vorschriften in den Rechtsordnungen, in denen unsere Kunden tätig sind oder in denen Kundengelder oder -gesellschaften ansässig sind, insbesondere ungünstige Änderungen von gesellschafts- und steuerrechtlichen Vorschriften sowie Doppelbesteuerungsabkommen, können sich nachteilig auf unser Geschäft auswirken.
- Die Möglichkeit von Aktionären, gegen uns oder Mitglieder unseres Vorstands und Aufsichtsrats zu klagen oder Urteile zu erwirken, kann eingeschränkt sein.
- Das Halten oder der Erwerb einer direkten oder indirekten bedeutenden Beteiligung an unserem Aktienkapital bedarf der vorherigen Zustimmung der BaFin und/oder der CSSF und kann eine Notifizierung oder vorherige Genehmigung durch andere nationale Aufsichtsbehörden erfordern sowie Beschränkungen und anderen Anforderungen unterliegen.
- Die unzulässige Offenlegung von sensiblen Daten oder Daten, die durch Datenschutzgesetze geschützt sind, könnte zu einer Haftung führen und unseren Ruf schädigen.
- Die Nichteinhaltung der geltenden internationalen Sanktionen oder des US Foreign Corrupt Practices Act, des United Kingdom Bribery Act 2010 oder ähnlicher geltender internationaler Antibruchgesetze könnte erhebliche negative Auswirkungen auf unser Geschäft haben.
- Devisenkontrollbeschränkungen, aufsichtsrechtliche Beschränkungen oder andere Beschränkungen in Bezug auf die Rückführung von Geldern aus bestimmten Ländern, in denen wir tätig sind, könnten unsere Fähigkeit einschränken, ausländische Investitionen zu tätigen, ausländische Finanzierungen zu beschaffen und Dividenden von unseren operativen Tochtergesellschaften zu erhalten.

D.3 Zentrale Risiken, die den Wertpapieren zu eigen sind.	Risiken in Bezug auf die Aktionärsstruktur der Emittentin, die Aktien und das Angebot
	<ul style="list-style-type: none"> • Nach dem Angebot wird die PEH Wertpapier AG als veräußernder Anteilinhaber auch weiterhin in der Lage sein, einen wesentlichen Einfluss auf uns auszuüben. Die von der PEH Wertpapier AG verfolgten Interessen könnten von den Interessen unserer anderen Aktionäre abweichen. • Es gab keinen öffentlichen Markt für unsere Aktien vor dem Angebot und wir können nicht versichern, dass sich ein aktiver Markt in unseren Aktien entwickeln wird. • Der Aktienkurs könnte erheblich schwanken und Anleger könnten ganz oder teilweise ihre Investition verlieren. • Künftige Verkäufe oder die Möglichkeit künftiger Verkäufe einer erheblichen Anzahl unserer Aktien könnten sich nachteilig auf den Kurs unserer Aktien auswirken und die Beteiligungen der Anteilinhaber verwässern. • Wenn Wertpapier- oder Branchenanalysten Researchberichte zu unserem Geschäft nicht oder nicht mehr veröffentlichen oder Empfehlungen in Bezug auf unsere Aktien nachteilig ändern oder negative Empfehlungen abgeben, könnten der Marktpreis und das Handelsvolumen unserer Aktien sinken. • Findet der Abschluss des Angebots nicht statt, werden Käufe der angebotenen Aktien nicht berücksichtigt und die Frankfurter Wertpapierbörse kann Transaktionen annullieren. • Die Emittentin kann den Erlös aus diesem Angebot in einer Weise anlegen oder ausgeben, mit der die Anteilinhaber nicht einverstanden sind, oder in einer Weise, die nicht zu einer Rendite führt oder den Preis der Anteile erhöht. • Eine Anlage in die Aktien des Emittenten durch einen Anleger, dessen Hauptwährung nicht der Euro ist, kann durch Wechselkursschwankungen beeinflusst werden.
E - Angebot	
E.1 Gesamtnettoerlös.	<p>Wir schätzen den Gesamt-Nettoerlös, unter der Annahme, dass der Angebotspreis in der Mitte der Preisspanne (siehe hierzu E.3) liegt und die Greenshoe-Option (siehe hierzu E.3) ausgeübt wird, nach Abzug von Aufwendungen und Provisionen, auf einen Betrag von etwa €15,60 Mio., bei dem wir schätzungsweise davon ausgehen, dass €5,14 Mio. auf die Neuen Aktien (wie nachstehend in E.3 definiert), €8,32 Mio. auf die zu verkaufenden Aktien (wie nachstehend in E.3 definiert) und €2,14 Mio. auf die Mehrzuteilungsaktien (wie nachstehend in E.3 definiert) entfallen.</p>
	<p>Wir erhalten nur Nettoerlöse aus dem Verkauf von neuen Aktien im Primärangebot (wie nachstehend in E.3 definiert). Wir erhalten keine Erlöse aus dem Verkauf von bestehenden Anteilen des Sekundärangebots (wie nachstehend in E.3 definiert), deren Nettoerlös dem Verkaufenden Aktionär (wie nachstehend in E.3 definiert) zufließt.</p>
Schätzung der Gesamtkosten des Angebots und der Notierung einschließlich geschätzter Kosten, die dem Anleger vom Emittenten in Rechnung gestellt werden.	<p>Unter Annahme eines Angebotspreises in der Mitte der Preisspanne werden die Gesamtkosten und -aufwendungen, die von der Gesellschaft und dem Verkaufenden Aktionär im Zusammenhang mit der Ausgabe der neuen Aktien, dem Angebot und der Notierung an der Frankfurter Wertpapierbörse zu zahlen sind, auf €1,66 Mio. geschätzt, wenn alle neuen Aktien ausgegeben werden und alle zu verkaufenden Aktien sowie alle Mehrzuteilungsaktien vom Verkaufenden Aktionär verkauft werden.</p>

- 128.625 bestehenden auf den Inhaber lautenden Stückaktien aus den Beständen der PEH Wertpapier AG (**“darlehensgebender Aktionär”**) im Zusammenhang mit einer möglichen Mehrzuteilung (**“Mehrzuteilungsaktien”**) und zusammen mit den Basisaktien **“angebotenen Aktien”**).

Das Angebot umfasst ein erstmaliges öffentliches Angebot in Deutschland und Luxemburg sowie Privatplatzierungen in bestimmten Rechtsordnungen außerhalb Deutschlands und Luxemburgs. Außerhalb der Vereinigten Staaten werden die Aktien der Emittentin nur gemäß Regulation S des United States Securities Act von 1933 in der jeweils geltenden Fassung angeboten und verkauft.

Das Angebot wird nur in denjenigen Rechtsordnungen gemacht, und nur gegenüber solchen Personen, in denen bzw. an die die angebotenen Aktien angeboten und verkauft werden dürfen.

Angebotszeitraum.

Der Zeitraum, in dem Anleger Kaufaufträge für die angebotenen Aktien einreichen können, beginnt am 12. Juni 2018 und endet am 18. Juni 2018 (**“Angebotszeitraum”**). Am letzten Tag der Angebotsfrist können Kaufangebote eingereicht werden (i) bis 17:00 Uhr (Mitteleuropäische Sommerzeit) (**“MESZ”**) von privaten Anlegern und (ii) bis 17:00 (MESZ) von institutionellen Anlegern.

Im Falle einer Verkürzung oder Verlängerung der Angebotsfrist können die Preisgestaltung, die Zuteilung, die Zulassung und der Ersthandel der Angebotsaktien sowie die Zahlung (in Euro) und die Lieferung der Angebotsaktien entsprechend vorgezogen oder verlängert werden.

Angebotspreis und Preisspanne.

Die Preisspanne, innerhalb der Bestellungen platziert werden können, beträgt € 16,00 bis € 19,00 pro angebotener Aktie (**“Preisspanne”**).

Der Platzierungspreis pro angebotener Aktie (**“Angebotspreis”**) sowie die exakte Anzahl der angebotenen Aktien wird voraussichtlich gemeinsam von der Emittentin und dem Verkaufenden Aktionär nach Rücksprache mit dem alleinigen globalen Koordinator am 18. Juni 2018 auf der Grundlage der von Anlegern eingereichten Aufträge festgelegt, die im während des Buchbildungsprozesses erstellten Auftragsbuch gesammelt wurden.

Der Angebotspreis wird voraussichtlich am 18. Juni 2018 mittels einer Ad-hoc-Mitteilung über ein elektronisches Informationsverbreitungssystem und auf der Website der Emittentin veröffentlicht. Insbesondere wenn das Platzierungsvolumen nicht ausreicht, um alle zum Angebotspreis platzierten Aufträge zu erfüllen, behält sich der alleinige globale Koordinator das Recht vor, Aufträge abzulehnen oder nur teilweise anzunehmen.

Änderungen der Angebotsbedingungen.

Die Gesellschaft und der Verkaufende Aktionär behalten sich in Absprache mit dem alleinigen globalen Koordinator das Recht vor, die maximale Anzahl der angebotenen Aktien zu erhöhen oder zu verringern, die Angebotspreisspanne zu ändern und/oder die Angebotsfrist zu verlängern oder zu verkürzen. Änderungen in Bezug auf die Anzahl der angebotenen Aktien, die Änderung der Angebotspreisspanne oder die Verlängerung oder Verkürzung der Angebotsfrist führen nicht dazu, dass bereits abgegebene Kaufangebote ungültig werden. In dem Umfang, in dem die Bedingungen des Angebots geändert werden, wird eine solche Änderung mittels einer Pressemitteilung und, falls dies gesetzlich vorgeschrieben ist, durch eine Ad-hoc-Veröffentlichung über ein elektronisches Informationsverbreitungssystem und auf der Website der Emittentin vor dem Ende der Angebotsfrist veröffentlicht.

Lieferung und Zahlung.

Zuteilung

Die Zuteilung der angebotenen Aktien erfolgt voraussichtlich am Tag des Endes der Angebotsfrist, voraussichtlich am oder um den 18. Juni 2018. Die

Stabilisierungsmaßnahmen, Mehrzuteilung und Greenshoe-Option.

Zuteilungen von angebotenen Aktien an Anleger, die keine Privatanleger sind und die der Emissionsbank direkt Aufträge erteilt haben, erfolgt auf der Grundlage der Qualität der einzelnen Anleger und der Einzelaufträge sowie weiterer wichtiger Zuteilungskriterien, die von der Gesellschaft, dem Verkaufenden Aktionär und der ICF BANK AG festzulegen sind. Falls das Angebot überzeichnet ist, können Anleger weniger angebotene Aktien erhalten als im Rahmen der Zeichnung beantragt. Die Gesellschaft und der Verkaufende Aktionär können in Abstimmung mit dem alleinigen globalen Koordinator nach eigenem Ermessen und ohne Angabe von Gründen sämtliche Zeichnungen ganz oder teilweise ablehnen.

Zahlung

Die Zahlung (in Euro) für die angebotenen Aktien mit Ausnahme der Mehrzuteilungsaktien wird voraussichtlich am 21. Juni 2018 (**“Abwicklungsdatum”**) erfolgen, vorbehaltlich einer Verkürzung oder Verlängerung. Die Zahlung für etwaige Mehrzuteilungsaktien gemäß der Mehrzuteilungsoption kann auch zum Abwicklungsdatum erfolgen, wenn und soweit diese Option vor dem Abwicklungsdatum ausgeübt wurde.

Lieferung von angebotenen Aktien

Die Angebotsaktien werden über die Buchungssysteme der Clearstream Banking AG (Frankfurt am Main) geliefert.

Findet die Abwicklung am Abwicklungsdatum nicht wie geplant oder überhaupt nicht statt, kann das Angebot zurückgezogen werden, in welchem Fall alle Zeichnungen von angebotenen Aktien unberücksichtigt, alle vorgenommenen Zuteilungen als nicht getätigt betrachtet und alle geleisteten Zeichnungsbeträge ohne Zinsen oder sonstige Vergütungen erstattet werden sowie alle Transaktionen mit den angebotenen Aktien an der Frankfurter Wertpapierbörse annulliert werden können. Ein Handel mit den angebotenen Aktien vor der Abwicklung erfolgt ausschließlich auf Risiko der betroffenen Parteien.

Im Zusammenhang mit der Platzierung der angebotenen Aktien werden die ICF BANK AG oder in ihrem Namen handelnde Personen als Stabilisierungsmanager fungieren (in dieser Eigenschaft **“Stabilisierungsmanager”**) und können in Übereinstimmung mit den gesetzlichen Vorschriften (Art. 5 Abs. 4 und 5 der Marktmissbrauchsverordnung (EU) 596/2014 in Verbindung mit den Artikeln 5 bis 8 der Delegierten Verordnung (EU) 2016/1052 der Kommission), Mehrzuteilungen vornehmen sowie zur Stützung des Marktpreises der Anteile der Gesellschaft Stabilisierungsmaßnahmen ergreifen und so einem Verkaufsdruck entgegenwirken.

Der Stabilisierungsmanager ist nicht verpflichtet, Stabilisierungsmaßnahmen zu ergreifen. Sofern Stabilisierungsmaßnahmen getroffen werden, können diese jederzeit und ohne Vorankündigung eingestellt werden. Solche Maßnahmen können ab dem Tag ergriffen werden, an dem die Aktien der Gesellschaft im regulierten Markt der Frankfurter Wertpapierbörse notiert sind, voraussichtlich am 21. Juni 2018, und müssen spätestens 30 Kalendertage nach diesem Datum beendet werden (**“Stabilisierungszeit”**). Diese Stabilisierungsmaßnahmen können zu einem höheren Marktpreis für die Aktien der Gesellschaft führen, als dies sonst der Fall gewesen wäre. Darüber hinaus kann der Marktpreis vorübergehend auf einem nicht nachhaltigen Niveau liegen.

Im Rahmen der möglichen Stabilisierungsmaßnahmen können zusätzlich zu den neuen Aktien und den zu verkaufenden Aktien bis zu 128,625 zusätzliche bestehende Aktien der Gesellschaft aus den Beständen des Verkaufenden Aktionärs an Anleger zugeteilt werden (**“Mehrzuteilungsaktien”**), die dieser im Rahmen eines Wertpapierdarlehens dem Stabilisierungsmanager gewährt.

Der Verkaufende Aktionär hat den Emissionsbanken eine Option (“**Greenshoe-Option**”) eingeräumt, ausübbar innerhalb von 30 Kalendertagen nach dem ersten Handelstag der Aktien an der Frankfurter Wertpapierbörse, voraussichtlich am 21. Juni 2018 (“**Erster Handelstag**”), wonach der Stabilisierungsmanager vom Verkaufenden Aktionär anstelle der Rückgabe der im Rahmen des Wertpapierdarlehens bereitgestellten Aktien den Verkauf einer Anzahl von Aktien zum Ausgabepreis, abzüglich etwaiger Gebühren und Aufwendungen, verlangen kann, die der Anzahl der Mehrzuteilungen entspricht.

Der Stabilisierungsmanager ist berechtigt, die Greenshoe-Option in dem Umfang auszuüben, in dem Mehrzuteilungen erfolgt sind. Die Anzahl der unter der Greenshoe-Option zu beziehenden Aktien soll um die Anzahl der Aktien reduziert werden, die der Stabilisierungsmanager am Tag der Ausübung der Greenshoe-Option hält und im Rahmen von Stabilisierungsmaßnahmen erworben hat.

E.4 Interesse an der Emission / Angebot einschließlich kollidierender Interessen.

Im Zusammenhang mit dem Angebot und der Zulassung von Aktien der Emittentin hat die Emissionsbank eine vertragliche Beziehung mit der Emittentin geschlossen.

Die Emissionsbank handelt für die Emittentin in Bezug auf das Angebot und koordiniert die Strukturierung und Durchführung des Angebots. Nach erfolgreicher Durchführung des Angebots erhält die Emissionsbank eine Provision. Als Ergebnis dieser vertraglichen Beziehungen hat die Emissionsbank ein finanzielles Interesse am Erfolg des Angebots.

Darüber hinaus kann die Emissionsbank im Zusammenhang mit dem Angebot als Anleger auf eigene Rechnung Aktien des Angebots erwerben und in dieser Eigenschaft solche Aktien oder damit verbundene Anlagen behalten, kaufen oder verkaufen und solche Aktien oder damit verbundene Anlagen anders anzubieten oder zu verkaufen als in Verbindung mit dem Angebot.

Die Emittentin wird den Netto-Erlös aus dem Verkauf der neuen Aktien und Zugang zu den Eigenkapitalmärkten erhalten (siehe E.1).

Der Verkaufende Aktionär erhält den Netto-Erlös aus dem Verkauf der zu veräußernden Aktien und der im Rahmen des Angebots gegebenenfalls verkauften Mehrzuteilungsaktien (siehe E.1).

Die Emissionsbank oder ihre verbundenen Unternehmen haben Geschäftsbeziehungen zu unserer Gruppe und können von Zeit zu Zeit Geschäftsbeziehungen zu unserer Gruppe unterhalten oder Dienstleistungen für unsere Gruppe im Rahmen der gewöhnlichen Geschäftstätigkeit erbringen.

E.5 Name der Person oder Organisation, die anbietet, das Wertpapier zu verkaufen.

Die Angebotsaktien werden von der Emissionsbank zum Verkauf angeboten.

Lock-up-Vereinbarung: die beteiligten Parteien; und Angabe der Sperrfrist.

In der Übernahmevereinbarung vom 11. Juni 2018 zwischen der Emittentin, dem Verkaufenden Aktionär und der Emissionsbank, hat die Emittentin mit der Emissionsbank vereinbart, dass die Emittentin, soweit dies gesetzlich zulässig ist, während eines Zeitraums, der am ersten Handelstag der Aktien der Emittentin an der Frankfurter Wertpapierbörse (derzeit am 21. Juni 2018 erwartet) beginnt und sechs Monate danach endet (“**Sperrfrist für Unternehmen**”), ohne die vorherige schriftliche Zustimmung des alleinigen globalen Koordinators, die nicht in unangemessener Weise zurückgehalten oder verzögert werden kann, die folgenden Maßnahmen nicht vornimmt oder diesen zustimmt:

- die Ankündigung oder Durchführung einer Erhöhung des Aktienkapitals der Emittentin aus dem genehmigten Kapital;

- einen Vorschlag zur Erhöhung des Aktienkapitals in der Hauptversammlung; oder
- die Ankündigung oder Durchführung von, oder einen Vorschlag zur, Ausgabe von Wertpapieren mit Wandlungs- oder Optionsrechten auf Aktien der Emittentin oder wirtschaftlich ähnliche Transaktionen.

Die eingangs erwähnten Einschränkungen gelten nicht für die IPO-Kapitalerhöhung und nicht, sofern relevant, für die Ausgabe von Aktien unter der Greenshoe Option.

Für den Zeitraum, der am ersten Handelstag der Aktien der Emittentin an der Frankfurter Wertpapierbörse (derzeit voraussichtlich am 21. Juni 2018) beginnt und 24 Monate danach endet (“**Sperrfrist des Verkaufenden Aktionärs**”), hat sich der Verkaufende Aktionär schriftlich verpflichtet, folgende Maßnahmen ohne die vorherige schriftliche Zustimmung des alleinigen globalen Koordinators nicht zu verfolgen:

- Aktien der Emittentin anzubieten, zu verpfänden, zuzuteilen, zu vertreiben, zu verkaufen, sich insoweit zum Verkauf zu verpflichten, Optionen oder Kaufrechte zu verkaufen, Verkaufsoptionen zu kaufen, Optionen, Rechte oder Ermächtigungen zum direkten oder indirekten Erwerb, zur Übertragung oder anderweitigen Veräußerung zu verkaufen (einschließlich, aber nicht beschränkt auf die Ausgabe oder den Verkauf von Wertpapieren, die in Aktien der Emittentin umtauschbar sind); oder
- eine Vereinbarung einzugehen oder durchzuführen, die den oben unter dem ersten Punkt beschriebenen wirtschaftlich gleichwertig ist, insbesondere die Ausgabe von Options- oder Wandelrechten auf Aktien der Emittentin;

Diese Verpflichtung beschränkt nicht die Übertragung von Aktien oder Wertpapieren an verbundene Unternehmen des Verkaufenden Aktionärs, vorausgesetzt, dass der Empfänger einer solchen Übertragung durch schriftliche Bestätigung an den alleinigen globalen Koordinator die Verpflichtungen des Verkaufenden Aktionärs für den verbleibenden Zeitraum übernimmt.

E.6 Betrag und Prozentsatz der unmittelbaren Verwässerung aufgrund des Angebots.

Der Stimmrechtsanteil des Verkaufenden Aktionärs als einziger gegenwärtiger Inhaber unserer Aktien wird infolge der Ausgabe der neuen Anteile verwässert. Die maximale Verwässerung für den Verkaufenden Aktionär unserer Aktien im Zusammenhang mit der Ausgabe der neuen Anteile würde unter der Annahme der Ausgabe von 330.000 neuen Anteilen etwa 9,6% betragen.

Gemäß des Zwischenabschlusses zum 31. März 2018 betrug der Nettovermögenswert (Nettobuchwert) der Gesellschaft T€ 6.973. Der Nettovermögenswert zum 31. März 2018 entspricht der Summe der Aktiva von T€ 23.419 abzüglich der gesamten langfristigen Verbindlichkeiten von T€ 160 und der gesamten kurzfristigen Verbindlichkeiten von T€ 9.980 und abzüglich der Minderheitsbeteiligungen von T€ 6.306. Der Nettovermögenswert pro Aktie (auf die Aktionäre entfallendes Eigenkapital der Gesellschaft pro Aktie), der dem Nettovermögenswert dividiert durch die Anzahl der ausstehenden Aktien des Emittenten unmittelbar vor dem Angebot entspricht, würde auf der Basis von 3.100.000 ausstehenden Aktien des Emittenten unmittelbar vor dem Angebot € 2,25 pro Aktie der Emittentin (dieser Wert pro Aktie “**Pre-IPO Eigenkapital, das den Aktionären je Aktie zuzurechnen ist**”) entsprechen.

Der Verwässerungseffekt des Angebots ist in der folgenden Tabelle dargestellt, die den Betrag angibt, um den der Angebotspreis in der Mitte der Preisspanne den auf die Aktionäre entfallenden Nettovermögenswert pro Aktie nach Vollzug des Angebots unter der Annahme übersteigt, dass die unten beschriebenen Schritte des Angebots zum 31. März 2018 stattgefunden haben. In diesem Zusammenhang wird der auf die Aktionäre zum 31. März 2018 entfallende

Nettovermögenswert um die Auswirkungen des Angebots unter der Annahme angepasst, dass (i) die IPO Kapitalerhöhung mit der maximalen Anzahl der angebotenen neuen Aktien durchgeführt wird und (ii) der Nettovermögenswert je Aktie der Aktionäre um einen Betrag auf Basis der Mitte der Preisspanne von € 17,50 erhöht wird. Der angenommene Anstieg basiert auf den erwarteten Nettoerlösen ohne Berücksichtigung von Steuereffekten. Der auf die Anteilseigner entfallende adjustierte Nettovermögenswert wird als Anteil pro Aktie ausgedrückt, wobei 3.430.000 ausstehende Aktien der Emittentin nach Abschluss des Angebots angenommen werden (dieser Wert pro Aktie **“Post-IPO Eigenkapital, das den Aktionären je Aktie zuzurechnen ist”**).

**Stand: 31. März 2018
(Mitte der Preisspanne)**

Angebotspreis je Aktie (in EUR)	17,50
Gesamtbruttoemissionserlöse an die Emittentin unter der Voraussetzung, dass alle Neuen Aktien platziert werden (in TEUR)	5.775
Geschätzte Gesamtkosten des Angebots, die von der Emittentin zu tragen sind, unter der Voraussetzung, dass alle Neuen Aktien platziert werden (in TEUR)	640
Gesamtnettoerlös an die Emittentin unter Annahme der Platzierung aller Neuen Aktien (in TEUR).....	5.135
Pre-IPO Eigenkapital, das den Aktionären je Aktie zuzurechnen ist (in EUR)	2,25
Post-IPO Eigenkapital, das den Aktionären zuzurechnen ist (in TEUR)	12.108
Post-IPO Eigenkapital, das den Aktionären je Aktie zuzurechnen ist (in EUR)	3,53
Betrag, um den der Angebotspreis je Aktie das Pre-IPO Eigenkapital, das den Aktionären je Aktie zuzurechnen ist, überschreitet (sofortige Verwässerung je Aktie für die Parteien, die die Neuen Aktien erwerben) (in EUR)	15,25
Prozentsatz, um den der Angebotspreis je Aktie das Pre-IPO Eigenkapital, das den Aktionären je Aktie zuzurechnen ist, überschreitet (sofortige Verwässerung je Aktie für die Parteien, die die Neuen Aktienerwerben) (in %) ...	678
Betrag, um den das Post-IPO Eigenkapital, das den Aktionären je Aktie zuzurechnen, das Pre-IPO Eigenkapital, das den Aktionären je Aktie zuzurechnen ist, überschreitet (sofortiger Wertzuwachs je Aktie für die existierenden Aktionäre/den Verkaufenden Aktionär) (in EUR)	1,28
Prozentsatz, um den das Post-IPO Eigenkapital, das den Aktionären je Aktie zuzurechnen, das Pre-IPO Eigenkapital, das den Aktionären je Aktie zuzurechnen ist, überschreitet (sofortiger Wertzuwachs je Aktie für die existierenden Aktionäre/den Verkaufenden Aktionär) (in %)	56,9

E.7 **Geschätzte Kosten, die dem Anleger vom Emittenten in Rechnung gestellt werden.**

Entfällt. Wir werden den Anlegern keine Kosten im Zusammenhang mit dem Angebot in Rechnung stellen.

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3. RISK FACTORS

An investment in the shares of capsensixx AG (the “Company” or the “Issuer” and, together with our fully consolidated subsidiaries, the “Group”, “capsensixx” or “we”, “us”, “our”), is subject to risks. All ordinary bearer shares with no-par value (auf den Inhaber lautende Stückaktien) of the Company outstanding from time to time, together are defined in this prospectus as the “Shares” and each share, a “Share”. In addition to the other information contained in this prospectus, potential investors should carefully consider the following risks when deciding whether to invest in the Issuer’s shares. The market price of the Issuer’s shares could decline if any of these risks were to materialize, in which case investors could lose some or all of their investment. The following risks, alone or together with additional risks and uncertainties not currently known to us, or that we might currently deem immaterial, could have a material adverse effect on the business, financial condition, cash flows, results of operations and prospects of the Issuer and its subsidiaries.

The order in which the risks are presented is not an indication of the likelihood of the risks actually materializing, or the significance or degree of the risks or the scope of any potential harm to the Issuer’s or its subsidiaries’ business, net assets, financial condition, cash flows or results of operations. The risks mentioned herein may materialize individually or cumulatively.

The risk factors are based on assumptions that could turn out to be incorrect. We believe that the risks and uncertainties described below are the material risks and uncertainties concerning our business. Other risks, facts or circumstances not presently known to us, or that we currently deem to be immaterial could, individually or cumulatively, prove to be important and could have a material adverse effect on the Issuer’s or its subsidiaries’ business, results of operations, financial condition and prospects. The value of the Issuer’s shares could decline as a result of the occurrence of any such risks, facts or circumstances or as a result of the events or circumstances described in these risk factors, and investors could lose part or all of their investment.

3.1 Market and business related risks

3.1.1 *The loss of members of our management team or of certain employees of the Group, the failure to attract and retain employees with appropriate qualifications, experience and business relationships, or the increase of personnel expenses could have a material adverse effect on our business.*

Our future growth and success depends upon the leadership and performance of the members of our management team, many of whom have significant experience in the trust and corporate services sector and could be difficult to replace. Our fund administration and accounting business relies very much on the services of the managing director of our subsidiary Axxion S.A., one of whom is one Axxion S.A.’s founders, and our capital markets and corporate services business on the managing directors of our subsidiary Oaklet GmbH, who are its founders. We may lose members of our management team and be unable to replace such members in a timely manner, which could have a material adverse effect on our ability to implement our strategy, and on our business, results of operations and financial condition.

Our business, future growth and success also depends to a large extent on the experience, knowledge and business relationships of our employees. In particular, their knowledge of local markets and their long-standing client and business partner relationships are extremely valuable to our business. Our employees may decide to leave us and join our competitors or pursue independent business opportunities, which could have a material adverse effect on our business, results of operations and financial condition.

Competition in our industry for suitably qualified employees is intense and is expected to further intensify. The loss of employees, particularly to our competitors, has in the past and may in the future result in us losing clients with whom such employees have business relationships. Although we believe our clients generally choose to work with us, in the event that certain employees leave our Group, clients may decide to follow and continue working with such employees rather than with us. In addition, if we were to lose a substantial number of our employees, we would have to incur significant costs in identifying, hiring, training and retaining replacements for such departing employees. From time to time our industry is confronted with a shortage of suitably qualified personnel in certain regions. We face an increasing demand for employees with a regulatory or accounting background in the fund and securitisation industry in Luxembourg and Frankfurt in light of the

so-called Brexit (the United Kingdom leaving the European Union). Such shortages of suitably qualified personnel have in the past limited, and may in the future significantly limit, our ability to attract employees to operate and further grow our business.

In addition, salaries and related benefits of our employees are among our most significant costs. As a result, wage, salary and related benefit increases, due to labour shortages or other reasons, can have a significant impact on our operating profits, in particular if we are unable to pass on increased costs to our clients.

3.1.2 *Negative movements in financial markets can significantly affect our revenues and our income.*

We earn revenue through fees for administering assets that were sold or structured for retail and institutional investors. The large majority of our revenue exists of management fees calculated as a percentage of our assets under administration (“AuA”). The level of our AuA depends to a large extent on the value of assets held in funds and portfolios administered by us, particularly bonds, equities, currencies and real estate and the investors' trusts in the financial markets and us as a service company administering assets. Fluctuations in financial markets, in particular changes in interest rates, issuer credit spreads, currencies and the value of equities, can cause the value of our AuA to change significantly. In particular, if the United States Federal Reserve, the European Central Bank or monetary authorities in other jurisdictions were to tighten their monetary policies, interest rates would likely increase (which could reduce the value of fixed income AuA), and stock market values could decline, resulting in a reduction in our AuA. A lack of liquidity in financial markets or in relation to certain types of assets may also impact the value of the assets administered by us. Fluctuations in financial markets can also reduce new investments and prompt investors to withdraw assets from funds and portfolios administered by us, further impacting our AuA and income. As a result of the foregoing, significant adverse movements in financial markets could have a material adverse impact on our assets under administration and our fees and could significantly adversely affect our business, results of operations and financial condition.

3.1.3 *Demand for asset management products depends on factors outside our control that impact the asset management sector as a whole. Factors outside our control that adversely affect the demand for asset management products and/or net inflows in the funds we administer and/or which reduce the set-up of new funds and/or securitisation structures can lower our assets under administration and cause a reduction in our fees, income and results of operations.*

Demand for asset management products and services can be significantly affected by numerous factors beyond our management's control. Adverse developments can reduce the amount of new funds invested by retail and institutional investors, and can cause investors to withdraw assets from the funds and portfolios that we administer. The factors beyond our control that can significantly impact demand for our products and services include the following:

- demographic trends and the macroeconomic climate, globally and, more specifically, in the countries where we market our products, which impacts the capacity of individuals to save money and to invest in asset management products, and which can also affect demand of institutional investors for these products;
- the level of equity markets globally and in the principal regions where the funds we service are distributed, which can impact the attractiveness of asset management products for investors and thus affect the level of investments;
- the level of exchange rates or interest rates in financial markets generally, and yield on products that compete with the asset management products, such as bank savings deposits and bonds, particularly in the countries where our the funds we administer are distributed;
- tax incentives that favor other investment products (including retirement savings outside of funds), as well as amendments and proposals to amend tax incentives that are favorable to asset management products; and/or

- regulatory initiatives in the financial markets, which may negatively impact the pricing of securitisation products and/or the eligibility or attractiveness for investors, e.g. due to higher regulatory capital requirements for regulated investors applicable to such investments, and might weaken the growth in the securitisation market.

If these or other factors were to adversely affect demand for asset management products, net inflows in the funds we administer and/or the set-up of new funds and/or securitisation structures will be reduced and, as a result, our assets under administration would be lower, causing a reduction in our fees, income and results of operations.

3.1.4 *The asset classes we provide administration services for may become less attractive to investors.*

We provide administration services for funds that are targeted to retail and institutional investors in a broad range of asset classes and across a broad range of asset classes. Our fund administration business, which we operate under our brands Axxion, has historically focused on actively-managed funds that are sponsored and/or distributed in the German speaking countries and that invest primarily in listed equities and debt. Our capital markets and corporate services business, we operate under our brand Oaklet, has historically focused on the securitisation of less liquid assets that could not be listed. In general the universe of asset classes that we service has widened with the increased investment offerings of hedge funds and other alternative investment funds. Certain of these assets or asset classes may be viewed more or less favorably by potential investors at different times and in different markets with different regulatory and fiscal frameworks. In addition, new asset classes, or product types and investment categories may be developed, some of which might not be among the type of assets for which we principally offer administration services or other of our products. In addition, asset management could become less popular, investors could invest without using funds or securitisation structures or may stop investing altogether. In the event that assets that at present or going forward are favored by investors in key markets are not the types of assets in which we have a strong business position, our competitive position could be adversely affected, which could in turn reduce our AuA as well as our net fees and results of operations.

3.1.5 *We operate in a competitive market and if we are unable to compete effectively, retain our existing clients, provide additional or new services to our existing clients, or attract new clients, our market share, profitability and revenue could be materially and adversely impacted.*

We face competition in providing services to our clients. The extent of such competition varies by service line, geographical region and competitors' quality and range of service. If we are unable to remain competitive in our markets, our market share, profitability and revenue could be negatively impacted which could have a material adverse effect on our business, results of operations and financial condition. Our ability to compete effectively is dependent on, among other things, the quality, pricing and perceived value of our service offerings, our technological platform, our reputation, our ability to attract and retain clients, as well as our ability to develop and introduce new and sell additional services to our clients. In each of the jurisdictions in which we are active, we may face increased competition from competitors operating globally and from competitors with a local regional focus in relation to certain services they offer, particularly if there is further consolidation of regional or local markets, which may result in stronger competitors with a broader service offering compared to ours.

In connection with acquisitions, we may in the future become subject to non-competition or non-solicitation agreements from the parties selling their business to us. These non-competition and non-solicitation agreements generally provide for non-solicitation or non-competition period ranging from two to three years from the date of the acquisition and are usually limited with regard to the geographic scope and the activities. Furthermore, certain activities may be carved out of, or otherwise may not be prohibited by, these arrangements. We cannot assure that one or more of the parties from whom we acquire or have acquired a business will not compete with us or solicit our employees or clients in the future. These parties may have a historic relationship with the employees and/or clients of the business that it sold to us, may be able to be successful in soliciting our employees and/or clients.

Some of our competitors have strong and long-standing relationships with clients and persons who may serve as references for new work, which may make it difficult for us to gain market share from these competitors.

In addition, other service providers, such as law firms, accounting firms or companies specialising in the financial industry (so-called FinTechs), have in the past started, and may in the future start, competing with us and offer fund, administration and corporate services themselves. New market participants may be able to use a more innovative or cost efficient technology. As a result of any such competition, we may not only lose business and market share to these new participants, but we also no longer benefit from the referral of business that we strive to receive from these other service providers. There can be no assurance that we will be able to compete successfully against existing or new competitors or that the pressure we face from competition will not materially adversely affect us. In particular, as we believe our clients prefer to work with a reliable and focused service provider like us that can offer an integrated comprehensive set of fund, administration and corporate services, the emergence of new market players, whether as a result of consolidation in the industry, new market entrants (like FinTechs) or otherwise, could materially adversely affect us. Any increase in competition generally or as a result of further consolidation by our competitors or new market entrants could have a material adverse effect on our business, results of operations and financial condition.

3.1.6 *The move from active to passive management of assets in the fund industry increases pressure on our margins and could significantly reduce the volume of actively-managed assets for which we provide administration services.*

Historically we have provided our administration services for the fund industry for funds that are actively managed by portfolio managers outside of our group of companies. In the fund industry we see a general trend to move from actively-managed funds to passive funds, in particular in the form of exchange traded funds (ETFs) charging with lower management fees than actively managed funds. The trend to passive funds leads to an increased pressure on our margins and reduces the volume of our assets under administration, which will directly lead to a reduction of our fees. Reductions in our fees or margins directly and adversely impact our revenues and income and could thus have a significant impact on our business, results of operations and financial condition.

3.1.7 *A failure to keep pace with technological innovation and industry improvements could expose us to competition and negatively impact our operations.*

The financial services industry comprises an increasingly diverse mix of participants and the asset management sector is subject to the entry of new competitors, including potentially from outside the traditional financial services industry, such as FinTechs. In addition, clients and investors of the funds we service continue to look for increasing returns and new products tailored to their specific requirements. In recent years, the industry has begun a transition to become more technology oriented (including the use of artificial intelligence), leading to an increased use of digital solutions and digital platforms. We have also experienced a trend to automated or partly automated investment advice (e.g. in the form of so-called robot adviser technology) which often focuses also on the overall size of management fees when preparing investment decisions. Internationally, we see a trend to new retail structures operating on lower fee models, which might in the future also come to the market in the German-speaking countries in which we operate our fund administration business. Our growth strategy and long-term initiatives depend on our ability to make use of new technological developments in our services and to offer innovative products based on new technological solutions to our clients. A failure to anticipate trends or developments in the market, or a failure to modify our platforms accordingly to be in a position to capitalize on opportunities in the market will negatively impact our ability to develop income, grow or maintain our assets under administration and could result in a material adverse effect on our results of operations. In addition, the offering of advanced artificial intelligence or comparable technological solutions by competitors could materially impact our ability to compete profitably, resulting in a loss of assets under administration, and exposing us to comparably greater risks when compared to competitors, each of which could have an adverse effect on our results of operations.

3.1.8 *Any damage to our business reputation or brand could have a material adverse effect on our business, results of operations and financial condition.*

Our business is dependent on our reputation and well-established brands, such as in particular Axxion and Oaklet. We rely on our relationships with our current and potential clients, business referrals (in particular by portfolio managers) as well as our network within the investment management and financial services communities and the industries that these entities and people serve. Any damage to our reputation or brands, whether arising from litigation, regulatory, tax, supervisory, criminal or enforcement actions or from lack of

compliance with regulatory or administrative rules and regulations, negative publicity or otherwise, could have a material adverse effect on our ability to obtain new business and retain existing clients. In particular, we believe that since one of the reasons our clients choose to work with us is because of our reputation for applying high compliance and risk management standards across our network of business partners and accordingly any lack of compliance in this regard could have a material adverse effect on us across our business. In addition, if one of our clients or our clients' portfolio managers were to suffer reputational damage due to improper or illegal behaviour, a criminal, regulatory, tax or other investigation, or otherwise, our business reputation could be consequently damaged as well as a result of us providing services to such client, including in our capacity as director or trustee of a client entity. Any damage to our reputation or brand as a result of any of the foregoing or otherwise could have a material adverse effect on our business, results of operations and financial condition.

3.1.9 *Failures or disruptions in our information technology and other operational systems could have a material adverse effect on our business, results of operations and financial condition.*

We rely on information technology (IT) and other operational systems to ensure that our network of offices, partners and clients remains connected and to provide an integrated service offer to our clients across jurisdictions. We could experience a failure of our systems, our employees could fail to monitor and implement enhancements or other modifications to a system in a timely and effective manner, or our employees could fail to complete all necessary data reconciliation or other conversion controls when implementing new software systems or implementing modifications to existing systems. We rely to a large extent on the services of a single IT supplier, which provides one of our new core IT applications. If this IT supplier or other IT suppliers were to fail in their delivery of IT services to us, this could have a material adverse effect on our ability to run our business and service the needs of our clients. We are using an IT set-up, a Virtual Desktop Infrastructure and we may be subject to disruptions of our IT systems and applications. There may also be delays and cost overruns in the ongoing development of new IT infrastructure and software applications. We continuously review our sourcing strategy in respect of our IT systems and may from time to time decide to insource or outsource certain parts of our IT systems. Any such changes in the sourcing of our IT systems may lead to disruptions to those systems. Furthermore, we may be subject to disruptions of our IT systems and applications arising from events that are wholly or partially beyond our control, such as loss of connectivity of our IT and other operational systems, computer viruses, cyber-based attacks and attempts by hackers and similar unauthorised users to gain access to or corrupt our IT systems, and electrical or telecommunications outages. Our network security measures and business continuity plans may fail to prevent disruptions to our IT systems caused by such events or to re-install our IT systems after the occurrence of such disruptions. Each of the foregoing factors may have a significant effect on our ability to service the needs of our clients, may expose us to damage claims by our clients, their customers and third parties and could have a material adverse effect on our business, results of operations and financial condition.

3.1.10 *We rely on our insurance coverage, in particular our directors' and officers' insurance and professional indemnity insurance, and we may be unable to obtain or maintain such coverage in the future, such coverage may prove to be inadequate and we may have disputes with our insurers.*

We maintain insurance coverage against certain business and other risks. However, some of the risks related to our business may not be adequately covered by our insurance policies or may not be covered at all. In addition, our insurance policies have deductibles, coverage exclusions (including with respect to fraud, negligence and misconduct) and maximum levels of recovery. Consequently, we may not be adequately insured against all types of risks that are associated with the conduct of our business. We are in particular exposed to risks of claims made against us and our directors, officers and employees, in particular those who are directly involved in our services rendered to clients, such as, for instance administering or managing funds for clients. Such claims could involve those made by our clients due to, for example, losses incurred as a result of declines in fund assets administered by us, losses in investment, holding, financing, fund or other structures or structured finance transactions administered by an entity incorporated by us or managed by us. In such circumstances, stakeholders could bring claims against us and our directors, officers and employees. Any liability incurred by us as a consequence of such claims may not be covered by our insurance policies, may exceed our insurance coverage, or may be subject to a substantial deductible. Additionally, any claims made under an insurance policy potentially limit the maximum amount of insurance coverage for us in the future and may increase our insurance premiums. The maximum amount recoverable under our insurance policies is typically calculated on an aggregate annual basis. Therefore, any claim against our insurance policies

reduces our potential recovery for all such claims made in the same year. We may not be able to, or may choose not to, obtain or maintain insurance coverage for certain potential claims or litigation that we are exposed to. If we are unable to obtain insurance at an acceptable cost or otherwise protect against potential claims, we will be exposed to significant potential liabilities. A successful claim brought against us in excess of, or a successful claim excluded from, our insurance coverage could have a material adverse effect on our business, results of operations and financial condition.

We may in the future have disputes with our insurers regarding issues such as (i) the level of deductible for a particular claim; (ii) what insurance policy a particular claim or potential claim may fall under; and (iii) whether a particular claim or potential claim is covered by the insurance policy. We may be materially adversely affected as a result of any such dispute as we may be uninsured for a particular claim or ultimately be exposed to greater liability to the underlying litigation or circumstances as a result of a dispute with our insurers. Even if a liability or claim is covered by one of our insurance policies, a substantial period of time may elapse between the date on which we are required to pay out with respect to such liability or claim and the date on which we are reimbursed under the relevant insurance policy which may materially impact our cash flows and have a material adverse effect on our business, results of operations and financial condition.

3.1.11 *If we fail to perform a successful placement of the primary tranche of the offering of our shares contemplated by this prospectus (the IPO Capital Increase) and to generate net proceeds of EUR 5 million (which corresponds to an offer price of less than EUR 17.00), we might not be able to fund the acquisition of licenses from INQUENCE GmbH and to grow the new business within the recently founded coraixx GmbH & Co. KGaA.*

We intend to use the net proceeds of the new shares following the primary tranche of the offering mainly to fund the expansion strategy of coraixx GmbH & Co KGaA under the non-binding letter of intent entered into with INQUENCE GmbH (“INQUENCE”) on 28 March 2018 and the option agreement entered into by coraixx GmbH & Co. KGaA (in formation) (“coraixx”) and INQUENCE on 7 June 2018, which will support our operational and business strategy. Based on that letter of intent, the Company intends to acquire 100% of newly issued shares in coraixx subject to and following a successful placement of the new shares (as defined in E.3 below). Based on the letter of intent and the option agreement, EUR 1.5 million are required to purchase the licences and the existing accounting clients of INQUENCE and a further up to EUR 3.5 million to fund the working capital needs of coraixx. Thus said, up to EUR 5 million of the net proceeds of the primary tranche of the offering are used for coraixx, remaining net proceeds, if any, we will use for funding the growth of our business and general corporate purposes.

If we do not receive net proceeds in the primary tranche of the offering of EUR 5 million (which corresponds to an offer price of less than EUR 17.00), we will have to adapt our expansion strategy or might have to seek alternative financing (ie Group financing or external debt). If we fail to perform a successful placement of the primary tranche of the offering of our shares contemplated by this prospectus and are not able to adapt our expansion strategy as regards coraixx accordingly or to find sufficient alternative financing, we will not be able to fund the acquisition of licenses from INQUENCE and to grow the new business within coraixx GmbH & Co. KGaA, which could significantly adversely affect our business, results of operations and financial condition.

3.1.12 *We may fail to achieve any or all of the medium term objectives included in this prospectus.*

We have set ourselves a number of medium term objectives. Our ability to achieve these medium term objectives depends on our ability to successfully execute our strategy and on the accuracy of a number of assumptions involving factors that are substantially or entirely beyond our control and are subject to known and unknown risks, including the risks described in this section “Risk Factors”, uncertainties and other factors that may result in us being unable to achieve these objectives. In particular, our ability to successfully implement our strategy and achieve our medium term objectives may be impacted by factors such as general economic and business conditions and developments with respect to the regulatory and tax framework of our industry and our business, which are outside of our control. If one or more of the assumptions that we have made in setting our medium term objectives are inaccurate, or if one or more of the risks described in this section were to occur, we may be unable to achieve one or more of our medium term objectives, which could have a material adverse effect on our business, results of operations and financial condition.

3.1.13 *We are exposed to a variety of economic, legal, tax and other related risks due to the international nature of our business.*

We provide our services to clients through various subsidiaries in different jurisdictions. Accordingly, our business is subject to risks related to the differing legal, political, social and economic conditions of many jurisdictions. Risks inherent in international operations include the following:

- difficulties obtaining permits, licenses and governmental approvals;
- we may inadvertently provide services or undertake activities in jurisdiction without all of the requisite regulatory or otherwise required approvals or notifications, exposing us to fines and sanctions including a possible order to unwind a particular transaction or not to continue our business as well as a loss in reputation;
- exposure to different legal and regulatory standards;
- staffing difficulties, national or regional labour strikes or other labour disputes;
- exposure to political risk;
- various countries may impose or increase withholding taxes or otherwise tax our income, impose tariffs or adopt other restrictions on trade or investment, including currency exchange controls;
- fluctuations in exchange rates may adversely affect the profitability in euro (“EUR” or “€”) of services provided by us in markets where payments for our services are made in the local currency;
- difficulties in collecting amounts payable to us under our contracts and enforcing agreements, in particular if our clients undergo financial difficulties;
- general economic conditions in the countries in which we operate could have an adverse effect on our earnings from operations in those countries; and
- changes in market conditions, especially in developing markets, as a result of economic or social instability or other developments not typical in more developed markets, and other difficulties typically associated with operating in developing markets.

In our fiscal year 2017, we have earned the majority of our revenues with administration work for funds originated or set-up in Luxembourg and Germany that are primarily marketed in the German speaking countries. Consequently, if any of the abovementioned risks were to materialise in Germany or Luxembourg in particular, our business, results of operations and financial condition could be materially and adversely affected. More generally, our overall success as a multi-national business depends, in part, upon our ability to efficiently provide our services in jurisdictions with different legal, regulatory, economic, social and political conditions. Accordingly, if we fail to adequately manage any of the foregoing factors, our business, results of operations and financial condition could be materially adversely affected.

3.1.14 *Failure of our “know-your-customer” (anti-money laundering) controls or compliance function could result in our representation of clients that may subject us to reputational damage, penalties and other regulatory action.*

If a quality control issue or fraud in our client onboarding or know-your-customer procedures occurs or if our compliance function does not function adequately, we may be exposed to significant reputational, legal and regulatory risks and sanctions, including the loss of required regulatory licenses. These risks and any resulting sanctions could be substantial and could have a material adverse effect on our business, results of operations and financial condition, particularly if we engage with one or more clients that are on US, United Nations, EU or other sanction lists or clients whose ultimate beneficial owners are on these lists or associated with undesirable or criminal activities.

3.1.15 *A significant reduction in foreign direct investment could have a material adverse effect on our business.*

The general global level of foreign direct investments has a significant impact on demand for our services since these investments is often structured through fund, holding, investment, finance and other vehicles and structures which are serviced by fund and corporate services providers such as us. Foreign direct investments can be driven by a large number of macro-economic and jurisdiction specific factors, including local regulatory regimes, exchange controls, governments taking local protectionist actions, tax regimes or changes in a jurisdiction's double tax treaty network. A significant shift or reduction in the level of foreign direct investments could have a material adverse effect on our business, results of operations and financial condition.

3.1.16 *A prolonged or significant economic downturn or a significant reduction of cross-border transactions, capital markets or fund activity may adversely affect our business, results of operations and financial condition.*

A prolonged or significant economic downturn or a significant reduction of cross-border transactions, capital markets or fund activity could result in a significant decline in demand for our services. A global or significant regional economic downturn or recession could harm us by adversely affecting our clients' and our prospective clients' access to capital to fund their businesses and investments and their ability to sustain and grow their businesses and investments, particularly their ability to expand internationally. Such events could result in a significant decline in demand for our services and have a material adverse effect on our business, results of operations and financial condition.

3.1.17 *Our clients may seek to conduct the services we provide in-house, which would lead to a decline in the demand for our services.*

Clients who currently retain our business services may for various reasons seek to bring certain or all of those services in-house. Clients may establish a sufficiently large presence in a jurisdiction in which they operate and may want certain or all functions of their operations carried out in-house by their own employees. If this were to occur, it could lead to a decline in demand for our services, which could materially and adversely affect our business, results of operations and financial condition.

3.1.18 *In connection with acquisitions, we may in the future inadvertently acquire actual or potential liabilities.*

We expect to continue to expand our business through future acquisitions. We may acquire actual or potential liabilities in connection with such acquisitions, including tort claims, claims or sanctions as a result of breach of applicable laws or regulations, claims for breach of contract, claims for breach of fiduciary duties, employment-related claims or tax liabilities. Any due diligence that we perform on potential acquisition candidates is limited due to the confidential nature of the business of potential acquisition candidates and due to the number of clients that such acquisition candidates tend to service. Although acquisition agreements may include indemnities in our favour, these indemnities might not always be enforceable, might expire, might be limited in amount or we may have disputes with the sellers regarding their enforceability or scope. If any acquired liabilities are not adequately covered by an applicable and enforceable indemnity, keep well, guarantee or similar agreement from a creditworthy counterparty, we will be exposed to these liabilities. Such liabilities, if they materialise, could have a material adverse effect on our business, results of operations and financial condition.

3.1.19 *We might be unable to successfully integrate or achieve the expected benefits from future acquisitions. Undertaking acquisitions increases the risk profile of our business.*

We might not achieve the competitive advantage, increased market share, revenue growth through cross-selling efforts, cost savings, synergies or other benefits that we expect to achieve from future acquisitions. We cannot guarantee that the integration of any future acquisitions will generate benefits to us that are sufficient to justify the expenses we will incur in completing such acquisitions. Furthermore, acquisitions and investments involve risks, including as a result of inaccurate assumptions about revenue, costs, liabilities, expected synergies and the costs of equity or debt financing, lack of management control over the newly acquired business, client or key employee losses at the acquired businesses, and failures to successfully integrate the operational, IT, compliance and other systems of the newly acquired business with those of our

business. In addition, undertaking acquisitions and investments is costly and diverts management and other resources from running our day-to-day business. These risks, if they materialise, could have a material adverse effect on our business, results or operations and financial condition.

3.1.20 *We may fail to identify or acquire suitable acquisition candidates or investment opportunities or make unsuitable acquisitions or investments, which could impair our ability to achieve our strategic objectives.*

Growth through acquisitions (beside organic growth) is an element of our strategy. The execution of our strategy requires the continued pursuit of acquisitions and investments and will depend on our ability to identify suitable acquisition candidates and investment opportunities. We cannot guarantee that we will be able to identify and acquire, on reasonable terms, if at all, suitable acquisition candidates or investment opportunities or that we will be able to obtain the necessary funding on acceptable terms, if at all, to finance any of those potential acquisitions or investments. In addition, even where we are able to complete an acquisition or an investment, we cannot guarantee that such acquired entity, business or asset or such investment will perform in line with our assumptions or expectations or otherwise complement our business or strategy. With continuing concentration being a likely industry trend, we could be faced with increasing competition for attractive acquisition candidates. Failure to identify or acquire suitable candidates or investment opportunities or the acquisition of unsuitable candidates or the making of unsuitable investments could impair our ability to achieve our strategic objectives. Furthermore, failure to successfully participate in any ongoing consolidation in our industry could potentially put us at a competitive disadvantage with respect to scale, resources and our ability to retain and acquire clients. Finally, compliance with antitrust laws or other rules and regulations may delay proposed acquisitions or investments or prevent us from closing acquisitions or investments in the manner proposed, if at all. Each of these risks, should they materialise, could limit our potential to further grow our business and have a material adverse effect on our business, results of operations and financial condition.

3.1.21 *We may not be able to expand into a particular jurisdiction or expand our service offering as required by current or potential clients.*

Regulatory or tax changes can lead to demand for client services in jurisdictions where we do not have any presence or operations, or for new client services that we do not currently offer or result in a decline of demand of client services in the jurisdictions where we currently offer our services. If such demand were to occur in a jurisdiction where we do not have any presence or operations where we do currently not offer a particular client service, there may be regulatory, compliance related, competition and practical constraints that could prevent us from establishing an office or other form of presence in such a jurisdiction or from providing such new client services to meet client demand. Even if we were to be able to establish an office or other form of presence in such a jurisdiction or provide such new client services, we may not be able to do so as quickly as would be necessary to meet client demands. Such inability or delay could result in a loss of current and potential business and may have a material adverse effect on our business, results of operations and financial condition. Furthermore, if we are unable to provide services to our clients in a jurisdiction where clients require us to deliver such services to them, we may also lose business from those clients in the jurisdictions where we do have a presence or operations as a result of clients requiring their service providers to be able to provide an integrated service across the various jurisdictions in which such clients are active. Similarly, we may lose business from clients in case there is a regulatory or tax change in a jurisdiction where we currently have a presence or operations if such change results in a decline of demand for our services. Each of the foregoing factors may have a significant effect on our ability to service the needs of our clients and could have a material adverse effect on our business, results of operations and financial condition.

3.2 **Risks related to our operations, financial position and group structure**

3.2.1 *Our inability to raise capital could affect our ability to execute our strategic plans.*

Growth through acquisitions and funding of new entities is an important element of our strategy. Acquisitions or foundations may be executed within a short timeframe, may occur at any time and may be significant in size relative to our existing assets and operations. We may not generate sufficient cash flow to finance such acquisitions. Consequently, the execution of our growth strategy may require access to external sources of capital, which may not be available to us on acceptable terms, or at all. Limitations on our access to capital,

including on our ability to issue additional debt or equity, could result from events or causes beyond our control, and could include, among other factors, decreases in our creditworthiness or profitability, significant increases in interest rates, increases in the risk premium generally required by investors, decreases in the availability of credit or the tightening of terms required by lenders. Any limitations on our ability to secure external capital, continue our existing finance arrangements or refinance existing financing obligations could limit our liquidity, our financial flexibility or our cash flows and affect our ability to execute our strategic plans, which could have a material adverse effect on our business, results of operations and financial condition.

3.2.2 *The Company relies on its operating subsidiaries to provide it with funds necessary to meet the Company's financial obligations and our ability to pay dividends may be constrained.*

We operate through a holding structure and the Company is a holding company with no material, direct business operations. The Company's principal assets are its direct and indirect equity interests in our operating subsidiaries. As a result, the Company is dependent on loans, dividends and other payments from these sources to generate the funds necessary to meet our financial obligations, including the payment of dividends. The ability of our subsidiaries to make such distributions and other payments depends on their earnings and may be subject to contractual or statutory limitations, such as limitations imposed by our financing facilities to which our subsidiaries are guarantors or the legal requirement of having distributable profit or distributable reserves. As an equity investor in our subsidiaries, the Company's right to receive assets upon a subsidiary's liquidation or reorganisation will be effectively subordinated to the claims of such subsidiary's creditors. To the extent that the Company is recognised as a creditor of a subsidiary, our claims may still be subordinated to any security interest in or other lien on such subsidiary's assets and to any of its debt or other obligations that are senior to the Company's claims.

The actual payment of future dividends on Shares, if any, and the amounts thereof, depends on a number of factors, including, among others, the amount of distributable profits and reserves, our regulatory capital position, capital expenditure and investment plans, revenue, profits, financial conditions, our level of profitability, ratio of debt to equity, credit ratings, applicable restrictions on the payment of dividends under applicable laws as well as contractual restrictions on the payment of dividends, compliance with credit covenants, the level of dividends paid by other comparable listed companies, general economic and market conditions, future prospects and such other factors as our Management Board and Supervisory Board may deem relevant from time to time. There can be no assurance that the abovementioned factors will facilitate or allow adherence to our dividend policy, or any payment of dividends and, in particular, our ability to pay dividends may be impaired if any of the risks described in this section "*Risk Factors*" were to occur. As a result, our ability to pay dividends in the future may be limited and our dividend policy may change, as our Management Board will revisit our dividend policy from time to time.

3.2.3 *Our combined financial statements include significant intangible assets, in particular software, which could be impaired.*

We carry significant intangible assets, in particular software, on our balance sheet. Pursuant to current accounting rules, we are required to assess goodwill for impairment at least annually or more frequently if impairment indicators are present. Impairment indicators include significant underperformance relative to historical or projected future operating results, a significant decline in share price or market capitalisation and negative industry or economic trends. If such events were to occur, the carrying amount of our goodwill may no longer be recoverable and we may be required to record an impairment charge. Other intangible assets, such as brand name and customer relationships, are amortised on a yearly basis. However, if impairment indicators are present, we are required to test such intangible assets for impairment. A significant impairment of our intangible assets could have a material adverse effect on our business, results of operations and financial condition. In addition, a significant impairment of our intangible assets could reduce our equity to such an extent that we would not be allowed under German law to pay out dividends.

3.3 Risks Relating to our Tax Position

3.3.1 *We conduct business in multiple jurisdictions and are exposed to the tax laws of such jurisdictions, including the risks in connection with challenges to our tax position.*

We are subject to a large number of different tax laws and regulations in the various jurisdictions in which we operate. These laws and regulations are complex and are subject to varying interpretations. The combined effect of the application of tax laws, including the application or disapplication of tax treaties of one or more of these jurisdictions and their interpretation by the relevant tax authorities could, under certain circumstances, produce contradictory results. We often rely on generally available interpretations of tax laws and regulations to determine the existence, scope and level of our liability to tax in the jurisdictions in which we operate. In addition, we take positions in the course of our business with respect to various tax matters, including the taxation of foreign exchange results, compliance with the arm's length principles in respect of transactions with related parties, tax deductibility of interest and other costs, the amount of depreciation or write-down of our assets that we can recognise for tax purposes and the value-added tax treatment of our client services. There is no assurance that the tax authorities in Germany, Luxembourg or any other relevant jurisdiction will agree with our interpretation of these laws and regulations or with the positions taken by us. If our tax positions are challenged by relevant tax authorities, the imposition of additional taxes could increase our effective tax rate and cost of operations, and could have a material adverse effect on our business, results of operations cash flow and financial condition.

3.3.2 *Changes in tax treaties, laws, rules or interpretations or an adverse outcome of tax audits could have a material adverse effect on us.*

The tax laws and regulations in Germany, Luxembourg and other jurisdictions in which we operate may be subject to change, and there may be changes in interpretation and enforcement of such tax laws or regulations, including with respect to applicable transfer pricing rules regarding intercompany loans and intragroup services, and the value-added tax treatment of our client services. As a result, we may face increases in taxes payable if tax rates increase, or if tax laws or regulations are modified in an adverse manner, or if new tax laws or regulations are introduced by the competent authorities with or without retrospective effect. These or any future audit may require us to pay additional taxes plus accrued interest and penalties. In addition, tax authorities in Germany, Luxembourg and other relevant jurisdictions periodically examine us. Tax audits typically include a review of interest deductibility, our transfer pricing arrangements, our fiscal unity, the taxation of foreign exchange results, and the amount of depreciation or write-downs of our assets that we recognise for tax purposes. Tax audits for periods not yet reviewed, may consequently lead to higher tax assessments. Any additional taxes or other sums that become due could have a material adverse effect on our business, results of operations, cash flow and financial condition.

3.4 Regulatory and legal risks

3.4.1 *We as well as the products and services offered by us are subject to laws and regulations relating to the fund, investment and corporate services industry and to supervision by a number of regulatory authorities in most of the jurisdictions where we operate. Moreover, a substantial number of the service providers, to whom we have outsourced certain activities, and the services provided by these service providers are also subject to regulatory supervision. Last, but not least, part of our client base is subject to financial regulation including banking and insurance regulation. The impact on our business of ongoing global and regional regulatory reform is uncertain.*

We are directly and through our subsidiaries indirectly subject to sophisticated and complex fund, investment and corporate services laws and regulations, and consequently to supervision by regulatory authorities that have administrative power over us in most of the jurisdictions in which we operate. In addition, a substantial number of service providers is providing discretionary asset management services and investment advice to us, activities that are also subject to financial regulation. The laws and regulations to which we and some of our service providers are subject are expected to become more numerous and at the same time increasingly complex. Regulators are therefore expected to exert increased scrutiny on the industry in which we operate. This may place an increasing burden on our resources and employees as well as on that of our business partners. Regulations to which we and our service providers are or may become subject, may limit our

respectively our service provider's activities and may negatively impact our ability to make autonomous decisions in relation to our operations and business including on the choice of service providers we work with. This in turn may limit our ability to implement our strategy and further grow our business. Each of the aforementioned factors may have a material adverse effect on our business, results of operations and financial condition.

Compliance with applicable laws and regulations is time-consuming, personnel-intensive and costly. Further changes in laws and regulations have increased and may continue to increase. Consequently, the cost of compliance is substantial and is expected to increase. Our compliance procedures may be found to be inadequate or otherwise ineffective in ensuring compliance with applicable laws and regulations, including as a result of human or operational errors in their implementation. Failure to comply with any applicable laws and regulations has in the past and may in the future subject us to administrative penalties and other measures imposed by governmental or regulatory authorities. This could lead to financial penalties, unanticipated costs associated with remedying such failures and adverse publicity, and could harm our reputation, cause temporary interruption of operations, and could result in revocation or temporary suspension of our licenses. If we were to lose any of our regulatory licenses in a particular jurisdiction or if any such licenses were to be suspended, we would not be able to continue to offer all or certain of our services in the relevant jurisdiction. If we were to lose the ability to offer all or certain of our services in a particular jurisdiction, we may lose business from clients that require us to provide an integrated service offering to them across a number of jurisdictions. Each of these risks, should it materialise, could have a material adverse effect on our business, results of operations and financial condition.

Similar to ourselves, the regulated services providers to whom we have outsourced certain functions may fail to fully comply with existing and/or upcoming regulatory requirements. These service providers therefore could also face administrative penalties or other measures imposed by governmental or regulatory authorities, which could lead to financial penalties, unanticipated costs associated with remedying such failures and adverse publicity, and could harm the service providers' reputation, cause temporary interruption of operations at the service provider, and could result in revocation or temporary suspension of the service providers' licenses. If service providers were to lose any of their regulatory licenses or if any such licenses were to be suspended or if service providers were unable to provide the agreed services as a result of any business interruption, we would not be able to continue to receive the services from the service providers so affected. The same applies if we would become obliged to terminate the cooperation with any affected service provider for not being compliant with applicable regulatory provisions. In such case we may not be in a position to replace the affected service provider with a compliant service provider or we may only be able to do so incurring increased costs. If we were not able to continue to receive the services from the service providers as agreed with these service providers or if we are exposed to increased costs due to a necessary termination or replacement of a service provider, the services offered by us to our clients may become less attractive and as a consequence we may lose business from clients. If any of these risks materialise, this could have a material adverse effect on our business, results of operations and financial condition.

In most of the regulated jurisdictions, our key employees are subject to increased scrutiny by regulators. If their conduct is deemed to violate applicable law including in the case of conflicts of interests, this may have implications for their involvement in our business, including that they may no longer be considered fit or qualified to hold their position within our business operations. Depending on the person and the jurisdiction, this could materially and adversely affect our business, results of operations and financial condition.

The continuing introduction of new global and regional regulations could significantly impact the demand for our services. This applies in particular to the demand from clients that are themselves subject to regulation such as banks, insurance companies and pension funds and/or which are required to adhere to certain regulations. The continuing introduction of new global and regional regulations could also significantly impact the manner in which we operate and could materially and adversely impact the profitability of our business. Although the impact of these regulatory initiatives cannot be determined, their requirements could have material adverse consequences for the fund, investment, trust and corporate services industry, including for us. This could adversely affect our business, financial condition and results of operations.

3.4.2 *As a provider of fund management, administration & accounting services, capital markets & corporate services and digitization & IT-services, we operate in a litigation sensitive environment and are susceptible to litigation and claims.*

We (within our Group) provide fund management, administration & accounting services, capital markets & corporate services and digitization & IT-services to our clients and operate in a litigation sensitive environment. We expect that we will from time to time be, involved in litigation related to our business. Many of these claims may allege breach of directors' or trustees' fiduciary duties, fraud, misappropriation of funds, wilful misconduct, (gross) negligence or breach of contract or breach of investor protection legislation. Our contracts with clients typically require us to perform our services in accordance with certain standards and requirements including those aiming at investor protection. Even without any bilateral contractual relationship, in the context of fund management, administration and accounting services we might be liable to investors of such funds for complying with the relevant fund rules including compliance with investment limits and appropriate risk management techniques. If our services fall short of these agreed standards or requirements or if we fail to comply with the relevant fund rules, we may be subject to claims by our clients or by investors in such funds for damages that could be substantial depending on the nature of the matter. For example, we have been and may continue to be subject to claims relating to the late filing of tax returns, financial reports and other regulatory filings. We and client entities, structures and vehicles to which we render corporate services (including directorships services) may be subject to other claims and judicial, administrative, tax and criminal proceedings incurred in the course of our operations, including fraud and tort claims. For example, if investors of funds managed by us or under our responsibility or in assets held through structures and vehicles to which we render services lose part or all of their investment, such investors (as well as liquidators and counterparties of those structures and vehicles) may seek to recover losses from service providers involved with the relevant structure or vehicle. This may include us, under the assumption that we may have contributed to the losses of such entity or failed to comply with our legal duties or obligations. Our risk of becoming subject to such claims or litigation increases if the relevant vehicle and/or investor is or becomes unable to meet its financial or other obligations. Consequently, we may be subject to claims where we provide fund management, administration & accounting services, capital markets & corporate services and digitization & IT-services to our client. Some of those claims may seek damages for the entire amount of the underlying investment plus damages, which may be very substantial. A negative outcome of any material pending or future proceedings could have a material adverse effect on our business, results of operations and financial condition. Furthermore, responding to and defending claims can be expensive and time consuming, and can result in a diversion of management resources. The latter may become in particular relevant, if any competent regulator authority should start investigating the failure, or even merely purported failure, on the basis of the claims or proceedings initiated by clients or investors.

Furthermore, we may also suffer reputational harm should an employee act inappropriately while representing us. This may include situations in which the employee was exposed to a conflict of interest. In addition, fiduciary duties of fund managers and administrators, directors and other servicers are increasing and standards governing those duties are becoming increasingly strict, which increases the likelihood that we can successfully be held liable for a breach of fund managers', fund administrators' and directors' fiduciary duties. Consequently, our involvement in litigation or potential litigation may increase beyond current or historical levels. This may result in increased exposure to claims and liabilities, a loss of business or market share, an increase in our legal and regulatory costs and insurance premiums and may harm our reputation. We also rely in certain jurisdictions to a limited extent upon our operating and joint venture partners. We may experience incidents of our operating or joint venture partners not complying with our policies, committing fraud or breaching laws and regulations. Any of these issues may result in an interruption of the provision of services from such operating and joint venture partners, a termination of the relevant business relationship, in litigation, regulatory consequences or reputational damage, all of which individually or jointly could have a material adverse effect on our business, results of operations and financial condition.

As of 31 March 2018, our provisions for legal matters, including provisions for legal costs and expenses, was Nil. These provisions may not be adequate to satisfy all legal costs and expenses associated with defending the claims for which such provisions have been taken. As a result, we may incur substantially more costs and expenses, and may be required to increase our provisions for litigation liabilities as a result of new developments in ongoing litigation proceedings and the commencement of new litigation proceedings.

Any significant judgment against us or other liabilities incurred by us may not be adequately covered by the indemnities we generally receive from our clients under our client contracts or not be covered at all by such indemnities. In addition, we may incur liabilities or expenses in excess of our insurance coverage, outside of the scope of our insurance coverage or subject to substantial insurance deductibles. Litigation can also lead to regulatory investigation, criminal proceedings and other scrutiny, and could adversely affect our reputation. Litigation proceedings and the outcome thereof may adversely affect the continuity of our business and may materially and adversely affect our business, results of operations and financial condition.

3.4.3 *A significant change in the laws and regulations of the jurisdictions in which our clients operate or where client funds or entities are domiciled, particularly any unfavourable amendments to corporate and tax laws and regulations and double tax treaties, may have an adverse effect on our business.*

Many of the investors in the funds we service invest through or utilize tax efficient holding, investment and finance structures in jurisdictions that have efficient, flexible and relatively stable corporate and tax law frameworks, as well as extensive double tax treaty networks, such as Germany and Luxembourg. As a result, a large portion of our revenue is generated from the funds and corporate services that we provide in such jurisdictions.

If actions were to be taken by legislators, regulators, tax authorities or government agencies amending or terminating the favourable corporate and tax laws and regulations or double tax treaties of these jurisdictions or the ways in which they are interpreted or compliance with them is scrutinised or enforced, they could become less attractive for holding, investment or finance structures in these jurisdictions. This in turn could deter our clients from investing through or utilising such jurisdictions and decrease significantly the need for our services, which could have a material and adverse effect on our business, results of operations and financial condition.

The ongoing global, regional and local initiatives to reform international tax rules and regulations could impact the way in which our clients conduct their business operations, and set-up and organise their corporate structures. One example for such an initiative is the Action Plan on Base Erosion and Profit Shifting (the “BEPS”) of the Organisation for Economic Co-operation and Development (the “OECD”) as supported by the G20 (the ‘Group of Twenty’ of the world’s largest advanced and emerging economies), which aims, among other things, to address tax avoidance by multinational companies. Another example is the amended EU Parent Subsidiary Directive, which requires the Member States of the European Union to include in their domestic legislation provisions against hybrid financing arrangements and to implement a general anti-abuse rule, pursuant to which the benefits of the directive are withheld in case of artificial structures, including with respect to the international exchange of information, substance requirements, anti-abuse rules and transfer pricing rules. As the discussions regarding these and other initiatives to reform international taxation are still ongoing and the interpretation and implementation of such reforms by local governments and national tax authorities is uncertain, the full impact thereof is still unclear. However, these initiatives could impact the way in which our clients conduct their business operations, and set-up and organise their corporate structures.

3.4.4 *The ability of Shareholders to bring actions or enforce judgments against us or members of our Management Board and Supervisory Board may be limited.*

The ability of Shareholders to bring an action against us or members of our Management Board or Supervisory Board may be limited. We are a public company with limited liability incorporated under the laws of Germany. The rights of shareholders are governed by German law and by our Articles of Association. These rights differ from the rights of shareholders in other jurisdictions. It may be difficult for a Shareholder to prevail in a claim against us or to enforce liabilities predicated upon the laws of jurisdictions other than Germany.

A Shareholder may not be able to enforce a judgment against some or all of the members of our Management Board and Supervisory Board. The members of our Management Board and Supervisory Board are residents of Germany. There can be no assurance that a Shareholder will be able to enforce any judgment in civil and commercial matters or any judgments against the members of our Management Board and Supervisory Board who are residents of countries other than those in which the judgment is made. In addition, German, Luxembourg and other courts may not impose civil liability on members of our Management Board and Supervisory Board in any original action based solely on foreign securities laws brought against us or

members of our Management Board and Supervisory Board in a court of competent jurisdiction in Germany or other countries.

3.4.5 *Holding or acquiring a direct or indirect substantial stake in our share capital may require the prior consent of the BaFin and/or the CSSF and may require notification to, or prior approval from, other national regulators, and may be subjected to restrictions and other requirements.*

No person may hold or acquire, alone or together with others, a direct or indirect stake of 10% or more in the share capital or voting rights of certain subsidiaries of the Company, or exercise a significant influence over the management of these subsidiaries, without first obtaining the consent of the BaFin and/or the CSSF. A consent, or further consent, from the BaFin and/or the CSSF is also required if an intended shareholding would exceed the further thresholds of 20%, 33 respectively 33⅓% and 50% of the share capital or voting rights. Any substantial direct investment in the Company may therefore lead to an acquisition of 10% or more in the share capital or voting rights of certain subsidiaries of the Company or the possibility to exercise a significant influence over the management of these subsidiaries. Non-compliance with the requirement to obtain the relevant prior consent is, depending on the jurisdiction respectively legislator concerned, an administrative or criminal offense and may lead to criminal prosecution and may as such lead to administrative sanctions, including but not limited to administrative fines, and the imposition of administrative costs. In addition, failure to obtain such consent may subject the shares held in excess of the relevant threshold to a suspension of voting rights, a transfer of the voting rights to a trustee, to transfer restrictions or to a forced sale of the shares so affected. The BaFin and the CSSF respectively have the power to make the granting of consent subject to restrictions and requirements, including in respect of such matters as, without limitation, corporate governance, restructurings, mergers and acquisitions, financing and distributions. Any measure taken by BaFin or the CSSF could alone or together with additional measures from the relevant regulator adversely affect our business, results of operations and financial condition.

3.4.6 *Improper disclosure of sensitive data or data protected by data protection laws could result in liability and harm our reputation.*

As part of our service offerings, we handle and process large amounts of sensitive or confidential information of our clients and other parties much of which is protected by data protection laws. Our security controls over personal data, the training of our employees and partners on data security, and other practices and procedures we follow may fail to prevent the improper disclosure of such sensitive information in breach of applicable laws or contracts. In addition, we retain confidential information in our information technology systems. Any compromise of the security of our information technology systems could result in unauthorised disclosure or use of sensitive or confidential information of our clients and other parties. Any improper disclosure of this information could harm our reputation, lead to legal action against us and our clients or subject us to liability under laws that protect data, resulting in increased costs and loss of revenue. Additionally, a breach of data protection laws may also trigger investigations and regulatory measures by BaFin and/or CSSF. A failure to adequately protect the privacy of client information or perceived failure to adequately protect the privacy of client information could materially and adversely affect our business, results of operations and financial condition.

3.4.7 *Failure to comply with applicable international sanctions or the US Foreign Corrupt Practices Act, the United Kingdom Bribery Act 2010 or similar applicable worldwide anti-bribery laws could have a material adverse effect on our business.*

Sanctions regimes imposed by governments, including those imposed by the European Union, the US, including the Office of Foreign Assets Control, and other countries or international bodies prohibit us from engaging in trade and financial transactions with certain countries, businesses, organisations and individuals. Our operations and the services we render could bring us within the scope of such sanctions regimes. The legislation, rules and regulations which establish sanctions regimes are often broad in scope and difficult to interpret, and in recent years, governments have increased and strengthened such regimes. Any violation by us of any applicable European, US or international sanctions, could result in investigations, including from the relevant regulator, fines and other penalties and may have a negative impact on our reputation and the ability to conduct business in certain jurisdictions or access European, US or international capital markets, which may have a material adverse effect on our business, results of operations and financial condition.

We are subject to a number of international laws and regulations regarding anti-bribery and anti-corruption, including the US Foreign Corrupt Practices Act and the United Kingdom Bribery Act 2010. These laws and regulations, among other things, prohibit improper payments to foreign officials for the purpose of obtaining or retaining business and may include reporting obligations to certain regulatory and governmental bodies. The scope and enforcement of anti-corruption laws and regulations varies. Due to the international nature of our business and as a result of providing services to clients that are active in parts of the world that have experienced governmental corruption, we are exposed to potential infringements of international laws and regulations regarding anti-bribery and anti-corruption. Our compliance programs and internal control policies and procedures may not always protect us from reckless or negligent acts, including bribery of government officials, petty corruption and misuse of corporate funds, committed by our employees or clients. Violations of these laws, or allegations of such violations, could lead to investigations, including from the relevant financial regulator, fines or harm our reputation and could disrupt our business and have a material adverse effect on our business, results of operations and financial condition.

3.4.8 *Exchange control restrictions, regulatory restrictions or other restrictions regarding the repatriation of funds from certain countries in which we operate could limit our ability to make foreign investments, procure foreign denominated financings and extract dividends from our operating subsidiaries.*

Exchange control restrictions, regulatory restrictions and restrictions regarding the repatriation of funds may restrict business transactions between residents of certain countries in which we operate and non-residents of such countries. For example, our subsidiaries in a particular country may (i) generally not be permitted to export capital, hold foreign currency in excess of certain limits or incur indebtedness denominated in foreign currencies without the approval of the local authorities; (ii) be prohibited from using transfer pricing and excessive interest rates on foreign loans as a means of expatriating currency; or (iii) generally not be permitted to acquire an interest in a foreign venture without the approval of the local authorities or be subject to compliance with the investment criteria of such local authorities. It is difficult to predict what action, if any, governments may take in the future with respect to exchange controls and similar restrictions. If governments of countries where we do business were to tighten controls, these restrictions could hinder our ability to make foreign currency denominated investments, pay dividends from our subsidiaries, or pay dividends to our shareholders using cash from our operating subsidiaries in such countries. Similarly any change in these controls and restrictions could impact the way in which our clients conduct their business operations, and set-up and organise their corporate structures. This could adversely affect our business, results of operations, financial condition, and our ability to pay dividends.

3.5 **Risks Related to the Issuer’s Shareholder Structure, the Shares and the Offering**

3.5.1 *Following the Offering, PEH Wertpapier AG as Selling Shareholder will continue to be in a position to exert substantial influence over us. The interests pursued by PEH Wertpapier AG could differ from the interests of our other Shareholders.*

PEH Wertpapier AG is expected to continue to be our largest Shareholder and is expected to hold approximately 71.25% of our Shares immediately following the Offering (assuming full placement of the Offer Shares and full exercise of the Greenshoe Option). Due to its large shareholding, PEH Wertpapier AG will be in a position to exert substantial influence in the General Meeting of the Company and, consequently, on matters decided by the General Meeting, including the appointment of members of our Management Board and Supervisory Board, the payment of dividends and any proposed capital increase. In addition, at the date of this prospectus, all members of our Supervisory Board are affiliated with PEH Wertpapier AG.

Furthermore, since attendance or representation at a General Meeting is a prerequisite for voting, even if the PEH Wertpapier AG would not otherwise have sufficient votes to pass or block a shareholder resolution on its own, it might, depending on the level of attendance and representation of other holders of Shares (each, a “**Shareholder**”) at the General Meeting of the Company, nonetheless have sufficient votes to block or pass resolutions at a particular General Meeting without the concurrence of other Shareholders. In any of the above instances, the interests of PEH Wertpapier AG, with which we also have significant commercial relationships, could deviate from the interests of our other Shareholders. As PEH Wertpapier AG may be able to make certain key decisions without the support of any other Shareholders and may be in a position to significantly influence our operations, nominations of Supervisory Board members and changes in our articles of association and, more generally, our strategy and growth, particularly with respect to mergers, capital

increases, sales of significant assets, purchases of assets and business combinations. PEH Wertpapier AG may delay, postpone or prevent transactions that might be advantageous for our other Shareholders.

3.5.2 *There has been no public market for our Shares prior to the Offering and we cannot assure that an active market in our Shares will develop.*

Prior to the Offering, there has not been a public market for our Shares. Application has been made for admission of our Shares to listing and trading on Frankfurt Stock Exchange. We cannot predict the extent to which an active market for our Shares will develop or be sustained after the completion of the Offering, or how the development of such a market might affect the market price for our Shares. The Offer Price will be agreed between us and the Selling Shareholder based on a number of factors, including market conditions in effect at the time of the Offering, and may not be indicative of the price at which our Shares will trade following completion of the Offering. The market price of our Shares could be subject to significant fluctuation. An illiquid market for our Shares may result in lower trading prices and increased volatility, which could adversely affect the value of an investment in our Shares, may cause our Shares to trade at a discount to the Offer Price and may make it difficult for investors to sell any Shares held by them at or above the price paid for such Shares or at all.

3.5.3 *The share price could fluctuate significantly, and investors could lose all or part of their investment.*

The stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. Any one of the following factors, among others, may cause a substantial decline in the markets in which we operate: general economic conditions, geopolitical conditions, including war, acts of terrorism and other man-made or natural disasters, financial regulatory reforms, political or regulatory developments in the European Union, the US and other jurisdictions, changes in earnings estimates by stock market analysts and other events and factors beyond our control. These factors, and the factors described elsewhere in this section, could adversely affect the trading price of our Shares, and investors could lose all or part of their investment.

3.5.4 *Future sales or the possibility of future sales of a substantial number of our Shares could have an adverse effect on the price of our Shares and dilute the interests of Shareholders.*

We cannot predict whether substantial numbers of our Shares will be sold in the open market. Following the completion of the Offering, the Selling Shareholder, our sole Shareholder prior to the Offering, will continue to be our largest shareholder and will hold approximately 71.25% of our Shares immediately following the Offering (assuming full placement of the Offer Shares and full exercise of the Greenshoe Option). The Selling Shareholder may reduce its holdings of our Shares and sell a substantial number of its Shares in the public market. In addition, future sales of our Shares could be made by other Shareholders or through a capital increase undertaken by us to obtain additional working capital, to fund an acquisition or for other purposes. A sale of a substantial number of our Shares, or the perception that such sale could occur, could adversely affect the market price of our Shares, as well as impede our ability to raise capital through an issue of equity securities in the future.

3.5.5 *If securities or industry analysts do not publish or cease to publish research reports on our business, or adversely change or make negative recommendations regarding our Shares, the market price and trading volume of our Shares could decline.*

Whether there is an active trading market for our Shares will be influenced by, among other things, the availability and recommendations of research reports covering our business. If one or more research analysts ceases to cover our business or fails to regularly publish reports on our business, we could lose visibility in the financial markets, which could cause the market price or trading volume of our Shares to decline. In addition, if research analysts do not make positive recommendations regarding our Shares, or if negative research is published on the industry or geographic markets we serve, the price and trading volume of our Shares could decline.

3.5.6 *If closing of the Offering does not take place, purchases of the Offer Shares will be disregarded and Frankfurt Stock Exchange may annul transactions that have occurred.*

Application has been made to list our Shares on Frankfurt Stock Exchange. We expect that our Shares will be admitted to listing and that trading in the Offer Shares will commence prior to the Settlement Date on the First Trading Date on an 'as-if-and-when-issued/delivered' basis. The closing of the Offering may not take place on the Settlement Date or at all, if certain conditions or events referred to in the underwriting agreement with respect to the offer and sale of the Offer Shares dated on or around the date of this prospectus among the Company, the Selling Shareholder and the Underwriter (the "**Underwriting Agreement**") are not satisfied or waived or occur on or prior to such date. Trading in the Offer Shares before the closing of the Offering will take place subject to the condition that, if closing of the Offering does not take place, the Offering will be withdrawn, all applications for the Offer Shares will be disregarded, any allotments made will be deemed not to have been made, any application payments made will be returned without interest or other compensation and transactions in the Offer Shares on Frankfurt Stock Exchange will be annulled. All dealings in the Offer Shares prior to settlement and delivery are at the sole risk of the parties concerned. We, the Selling Shareholder, ICF BANK AG (neither in its capacity as Underwriter, Sole Bookrunner, Listing and Paying Agent nor as sole Sole Global Coordinator) and Frankfurt Stock Exchange do not accept any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offering or the related annulment of any transaction on Frankfurt Stock Exchange.

3.5.7 *The Issuer may invest or spend the proceeds of this offering in ways with which shareholders may not agree or in ways which may not yield a return or enhance the price of the Shares.*

The Issuer may decide to use the net proceeds the Issuer receives from the Offering differently from its intention as of the date of this prospectus. The Issuer's management will have considerable discretion in the application of the net proceeds, and shareholders will not have the opportunity, as part of their investment decision, to assess whether the proceeds are being used appropriately.

Any failure to use the net proceeds from this Offering effectively could have a material adverse effect on our business, financial condition, cash flows, reputation and results of operations.

3.5.8 *An investment in the Issuer's shares by an investor whose principal currency is not the euro may be affected by exchange rate fluctuations.*

The Issuer's Shares are, and any dividends to be paid in respect of them will be, denominated in euros.

An investment in the Issuer's Shares by an investor whose principal currency is not the euro exposes the investor to foreign currency exchange rate risk. Any depreciation of the euro in relation to an investor's principal currency will reduce the value of the investment in the Issuer's Shares or any dividends in relation to such currency.

4. GENERAL INFORMATION

4.1 Responsibility Statement

capsensixx AG, Frankfurt am Main, Germany (the “**Company**” or the “**Issuer**” and, together with its fully consolidated subsidiaries, the “**Group**”, “**capsensixx**” or “**we**”, “**us**” or “**our**”) with its registered office at Bettinastraße 57, 60325 Frankfurt am Main, Germany, a German Stock Corporation (*Aktiengesellschaft*) registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main, Germany, under the number HRB 110258, and ICF BANK AG, Frankfurt am Main, Germany (the “**Sole Global Coordinator**” or the “**Sole Bookrunner**” or the “**Underwriter**”), have assumed responsibility for the contents of this prospectus pursuant to Section 5 para. 4 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*), and declare that the information contained in this prospectus is, to the best of their knowledge, correct and contains no material omissions.

If any claims are asserted before a court of law based on the information contained in this prospectus, the investor appearing as plaintiff may have to bear the costs of translating this prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area (the “**EEA**”).

The information in this prospectus will not be updated subsequent to the date hereof except for any significant new event or significant error or inaccuracy relating to the information contained in this prospectus that may affect an assessment of the securities and occurs or comes to light following the approval of this prospectus but before the completion of the public offering or admission of the securities to trading, whichever is later. These updates must be disclosed in a prospectus supplement in accordance with Section 16 para. 1 sentence 1 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*).

4.2 Purpose of this prospectus

This prospectus relates to the offering of up to 986,125 ordinary bearer shares of the Issuer with no-par value (*auf den Inhaber lautende Stückaktien*), each such share representing a notional value of EUR 1.00 and with full dividend rights from 1 January 2018, (the “**Offering**”) consisting of:

- 330,000 newly issued ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) from a capital increase against contribution in cash (the “**IPO Capital Increase**”) to be resolved by the management board on or around 18 June 2018, to be approved by the supervisory board on the same day, utilizing the authorized capital resolved by an extraordinary shareholders’ meeting of the Issuer on 28 March 2018 (the “**New Shares**”) (the “**Primary Offering**”); and
- 527,500 existing ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) (the “**Sale Shares**”, and together with the New Shares, the “**Base Shares**”) from the holdings of PEH Wertpapier AG (the “**Selling Shareholder**”) (the “**Secondary Offering**”); and
- 128,625 existing ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) from the holdings of PEH Wertpapier AG (the “**Lending Shareholder**”) under a securities loan in connection with a possible over-allotment (the “**Over-Allotment Shares**”, and together with the Base Shares, the “**Offer Shares**”).

For purposes of admission to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), with simultaneous admission to the sub-segment of the regulated market with additional post admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), this prospectus relates to:

- 3,100,000 ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) (the Issuer’s entire share capital prior to the IPO Capital Increase); and

- 330,000 newly issued ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) from the above-mentioned IPO Capital Increase;

each such share representing a notional value of €1.00 and with full dividend rights from 1 January 2018.

This prospectus has been approved solely by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (the “**BaFin**”). BaFin has approved this prospectus after having performed an assessment of the coherence and comprehensibility of the information presented in this prospectus and of the completeness of the prospectus.

4.3 Forward-looking Statements

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

The forward-looking statements in this prospectus are subject to risks and uncertainties, as they relate to future events, and are based on estimates and assessments made to the best of the Issuer’s present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause the Issuer’s actual results, including the financial condition and profitability of our Group, to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements. These expressions can be found in several sections in this prospectus, particularly in the sections entitled “1. Summary of the Prospectus”, “3. Risk Factors”, “8. Dividend Policy; Results and Dividends Per Share; Use of Profits”, “13. Business Description” and “26. Recent Development and Outlook” and wherever information is contained in this prospectus regarding our intentions, beliefs, or current expectations relating to its future financial condition and results of operations, plans, liquidity, business outlook, growth, strategy and profitability, investments and capital expenditure requirements, expectations as to future growth in demand for our products and services as well as the economic and regulatory environment to which we are subject.

In light of these uncertainties and assumptions, it is also possible that the future events mentioned in this prospectus will not occur. In addition, the forward-looking estimates and forecasts reproduced in this prospectus from third-party reports could prove to be inaccurate (for more information on the third-party sources used in this prospectus, see “4.8 Sources of Market Data”). Actual results, performance or events may differ materially from those in such statements due to, among other reasons:

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

- changes in taxation.

Please also see “3. Risk Factors” for a further description of some of the factors that could influence the Issuer’s forward-looking statements.

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

4.4 Documents Available for Inspection

For the period during which this prospectus is valid, the following documents will be available for inspection during regular business hours at the Issuer’s offices at Bettinastraße 57, 60325 Frankfurt am Main, Germany (tel. +49 (69) 7680 585 0):

- the Issuer’s current articles of association (the “**Articles of Association**”);
- the Issuer’s unaudited interim financial statements prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union (“**IFRS**”) on interim financial reporting (IAS 34) as of and for the three months ended 31 March 2018;
- the Issuer’s audited combined financial statements prepared in accordance with IFRS as of and for the years ended 31 December 2017, 31 December 2016 and 31 December 2015;
- the Issuer’s audited unconsolidated financial statements (annual financial statements) prepared in accordance with the German generally accepted accounting principles of the German Commercial Code (*Handelsgesetzbuch*) as of and for the abbreviated financial year from November 2017 to 31 December 2017.

No other documents or information, including the content of our website (<http://www.capsensixx.de>) or of websites accessible from hyperlinks on our website, form part of, or are incorporated by reference into, this prospectus.

4.5 Presentation of Figures

Where financial data in this prospectus is labelled “audited”, this means that it has been taken from the audited combined financial statements mentioned above in “4.4 Documents Available for Inspection”. The label “unaudited” is used in this prospectus to indicate financial data that has not been taken from the audited financial statements mentioned above in “4.4 Documents Available for Inspection” but was taken either from the Issuer’s unaudited interim financial statements mentioned above in “4.4 Documents Available for Inspection” or the Issuer’s internal reporting system, or is based on calculations of figures from the sources mentioned before. Financial information presented in the text and the tables in this prospectus is shown in thousands of euro (“**TEUR**” or “**TE**”) (EUR thousand) or millions of euro and is commercially rounded. Percentage changes in the text and tables are rounded in accordance with standard commercial practice. As a result of rounding effects, the aggregated figures in the tables may differ from the totals shown and the aggregated percentages may not exactly equal 100%. In addition, rounded totals and subtotals in the tables may vary marginally from unrounded figures indicated elsewhere in this prospectus. Furthermore, the rounded figures in tables in this prospectus may not add up exactly to the totals contained in those tables.

Financial information presented in parentheses denotes the negative of such number presented. A dash (“-”) means that the relevant figure is not available, while a zero (“0.0” or “0”) means that the relevant figure has been rounded to or equals zero.

4.6 Presentation of Financial Information

4.6.1 General

The Company was incorporated on 10 November 2017, and registered in the commercial register on 28 November 2017. On 28 March 2018 an increase of the share capital of the Company from EUR 100,000 to EUR 3,100,000 against contribution in kind was resolved, consisting of the contribution of the Selling Shareholder's stake in Axxion S.A. and Oaklet GmbH to capsensixx AG. This contribution in kind became effective on 18 April 2018 by registration in the Company's commercial register. Since that date the Company is the holding company of the Group.

4.6.2 Application of International Financial Reporting Standards (IFRS) and the German Commercial Code (Handelsgesetzbuch)

The Issuer prepared consolidated combined financial statements as of and for the years ended 31 December 2017, 31 December 2016 and as 31 December 2015 in accordance with IFRS. The Issuer's unconsolidated financial statements as of and for the year ended 31 December 2017 were prepared in accordance with the German generally accepted accounting principles of the German Commercial Code (Handelsgesetzbuch). The English language consolidated combined financial statements as of and for the years ended 31 December 2017, 31 December 2016 and as 31 December 2015 and the German language unconsolidated financial statements as of and for the abbreviated financial year ended 31 December 2017 were audited by Baker Tilly GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Germany, as stated in their English language audit opinions (*Bestätigungsvermerke*) as well as their English language independent auditor's report (*Prüfungsvermerk*) thereon, respectively. The Issuer's unaudited interim financial statements as of and for the three months ended 31 March 2018 have been prepared in accordance with IFRS on interim financial reporting (IAS 34).

4.6.3 Non-IFRS Financial Measures

This prospectus contains non-IFRS financial measures and ratios that are not required by, or presented in accordance with, IFRS.

The definitions of the non-IFRS financial measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. Non-IFRS measures and ratios are not measurements of our performance or liquidity under IFRS and should not be considered as alternatives to results for the period or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

In addition to the financial information presented herein prepared under IFRS, we also present in this prospectus certain unaudited operating and non-financial measures such as the number of active customers, Assets under Administration and others.

4.7 Presentation of Currency and Exchange Rates

In this prospectus, unless otherwise indicated: all references to the "EU" are to the European Union; all references to "EUR", "euro" or "€" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time; all references to the "United States" or the "US" are to the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia; all references to "USD" "US dollars", "US\$" or "\$" are to the lawful currency of the United States. We publish our financial statements in euros.

4.8 Sources of Market Data

All references to market share, market data, industry statistics and industry forecasts in this prospectus consist of estimates compiled by industry professionals, competitors, organisations or analysts, of publicly available information or of our own assessment of our sales and markets.

This prospectus contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to our business and markets. Unless otherwise indicated, such information is based on our analysis of multiple sources, including a market study we commissioned from Ernst & Young Wirtschaftsprüfungsgesellschaft in 2017 which has been updated with an addendum commissioned in 2018 (the “**Company Market Study**”) and such information has been accurately reproduced, and, as far as we are aware and are able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information provided inaccurate or misleading.

Industry publications and market studies generally state that their information is obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Where third-party information has been sourced in this prospectus, the source of such information has been identified.

The following sources were used in the preparation of this prospectus:

- B. Koch, Billentis, “Die E-Rechnung steht im Zeichen großer Marktveränderungen” (2017)
- Bundesverband Investment and Asset Management e.V., Investmentstatistik (www.bvi.de) (BVI)
- Centre for Climate Change and Economics and Policy, “Public sector agenda for stipulating private market development in green securitization in Europe” (2017)
- Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervisory Commission), “UCITS Statistics “Development of net assets and number of UCIs”, 31 March 2018, (www.cssf.lu) (2018)
- Dorfleitner, Hornuf, Schmitt, Weber (on behalf of the German Federal Ministry of Finance), “The FinTech Market in Germany”, Final Report (October 2016)
- EFAMA (European Fund and Asset Management Association), Quarterly Statistical Release No. 72 (as per 31 December 2017) (March 2018)
- Ernst & Young (EY), “New opportunities in for asset servicing – Global Asset Servicing Study” (2015)
- Ernst & Young (EY) Real Estate, “Asset-Management-Studie” (2017)
- Goethe University of Frankfurt, together with the Federal Ministry of Interior in Germany, “Final Report in the eRechnung Project” (July 2013)
- KPMG, “Digitalization in Accounting” (2017)
- Preqin’s Investor Outlook: Alternative Assets, H1 2017 (2017)
- Pricewaterhouse Coopers (PwC), “Asset Management 2020: A Brave New World” (2014)
- Pricewaterhouse Coopers (PwC), “Asset & Wealth Management Insights Asset Management 2020: Taking Stock” (2017)

- PricewaterhouseCoopers (PwC), “Asset & Wealth Management Revolution: Embracing Exponential Change” (2017)
- Pricewaterhouse Coopers (PwC), “Securitization in Luxembourg – A comprehensive guide” (2017)

In this prospectus, we make certain statements regarding our competitive and market position. We believe these statements to be true, based on market data and industry statistics, but we have not independently verified the information. We cannot guarantee that a third party using different methods to assemble, analyse or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, our competitors may define their markets and their own relative positions in these markets differently than we do and may also define various components of their business and operating results in a manner which makes such figures non-comparable with our figures. It should be noted in particular that reference has been made in this prospectus to information concerning markets and market trends, which was obtained from the above-mentioned sources. The Issuer has accurately reproduced such information and, as far as it is aware and able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, prospective investors are advised to consider this data with caution. For example, market studies are often based on information or assumptions that may be inaccurate or inappropriate, and their methodology is inherently predictive and speculative.

Irrespective of the assumption of responsibility for the content of this prospectus by the Issuer and the Underwriter (see “4.1 Responsibility Statement”), neither the Issuer nor the Underwriter have independently verified the figures, market data or other information on which third parties have based their studies. Accordingly, the Issuer and the Underwriter make no representation or warranty as to the accuracy of any such information from third-party studies included in this prospectus. Prospective investors should note that the Issuer’s own estimates and statements of opinion and belief are not always based on studies of third parties.

5. THE OFFERING

5.1 Subject Matter of the Offering

This prospectus relates to the offering of a total of up to 986,125 ordinary bearer shares of the Issuer with no-par value (*auf den Inhaber lautende Stückaktien*), each such share representing a notional value of EUR 1.00 and with full dividend rights from 1 January 2018, (the “**Offering**”), comprising of:

- 330,000 newly issued ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) from a capital increase against contribution in cash to be resolved by the management board on or around 18 June 2018, to be approved by the supervisory board on the same day, utilizing the authorized capital resolved by an extraordinary shareholders’ meeting of the Issuer on 28 March 2018 (the “**New Shares**”); and
- 527,500 existing ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) from the holdings of PEH Wertpapier AG (the “**Selling Shareholder**”) (the “**Sale Shares**”, and together with the New Shares, the “**Base Shares**”); and
- 128,625 existing ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) from the holdings of PEH Wertpapier AG (the “**Lending Shareholder**”) in connection with a possible over-allotment (the “**Over-Allotment Shares**”, and together with the Base Shares, the “**Offer Shares**”).

The Offering consists of an initial public offering (“**IPO**”) of the Offer Shares in the Federal Republic of Germany (“**Germany**”) and the Grand Duchy of Luxembourg (“**Luxembourg**”) (the “**Public Offering**”) and private placements in certain jurisdictions outside Germany and Luxembourg and outside of the United States (the “**Private Placement**”, and together with the Public Offering, the “**Offering**”). Outside the United States, the Offer Shares will be offered and sold only in offshore transactions in reliance on Regulation S under the United States Securities Act of 1933, as amended (“**Regulation S**”). The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, or with any securities regulatory authority of any state or other jurisdiction in the United States.

As of the date of this prospectus the share capital of the Company amounts to €3,100,000, and is divided into 3,100,000 ordinary bearer shares with no par value (*auf den Inhaber lautende Stückaktien*).

On or around 18 June 2018, the Management Board (*Vorstand*) will resolve, such resolution to be approved by the Supervisory Board on the same day, the number of the New Shares to be issued (the “**IPO Capital Increase**”), utilizing the authorized capital resolved by an extraordinary shareholders’ meeting of the Issuer on 28 March 2018.

The implementation of the IPO Capital Increase regarding the New Shares is expected to be registered in the commercial register on or around 19 June 2018. As of the commencement of trading, the Company’s total share capital will amount to up to €3,430,000, divided into up to 3,430,000 ordinary bearer shares with no par value (*auf den Inhaber lautende Stückaktien*) assuming full implementation of the capital increase regarding the New Shares.

All shares issued as of the date of this prospectus are, and the New Shares will be fully paid up.

The Offer Shares carry the same rights as all other Shares of the Company and confer no additional rights or benefits. All Shares of the Company, including the Offer Shares, are subject to and governed by German corporate law.

The Company will receive the proceeds from the sale of the New Shares. However, the Company will not receive any proceeds from the sale of the existing Shares (i.e. from the sale of the Sale Shares and the Over-Allotment Shares, if any), but such proceeds will be received by the Selling Shareholder.

The commissions and expenses relating to the Offering will be shared between the Selling Shareholder and the Company in the same proportion as the proportion of the New Shares and the sum of the Sale Shares plus the Over-Allotment Shares (New Shares / Sale Shares + Over-Allotment Shares).

5.2 Public Offering

In the course of the Offering, institutional investors may place subscription offers directly with the Sole Bookrunner during the Offer Period (as defined below).

Retail investors may place their subscription offers during the Offer Period (as defined below under “5.4.1 Offer Period”) with direct brokers involved by ICF BANK AG or through the subscription functionality of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) in the XETRA trading system for the collection and settlement of subscription offers (the “**Subscription Functionality**”). Investors who want to submit subscription offers for the Offer Shares through the Subscription Functionality must submit them to their respective depository bank between 12 June 2018 and 18 June 2018, at 17:00 hrs. (Central European Summer Time, “CEST”). This requires that the depository bank (i) has been admitted as a trading participant to the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) or has access to trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) via an accredited trading participant; (ii) is connected to XETRA; and (iii) is authorized and able to use the Subscription Functionality according to the Terms and Conditions of Deutsche Börse AG for use of the XETRA subscription functionality (such depository bank, the “**Trading Participant**”).

Upon the investor’s request, the Trading Participant will submit a subscription offer on behalf of the investor via the Subscription Functionality. The Sole Bookrunner ICF BANK AG Wertpapierhandelsbank, Kaiserstraße 1, 60311 Frankfurt am Main, Germany will collect the purchase offers of the Trading Participants in the order book until the end of the Offer Period (as defined below). At the end of the Offer Period, the Sole Bookrunner will close the order book.

Investors in Luxembourg whose depository bank is not a Trading Participant may instruct a Trading Participant (as defined above) via their depository bank to submit a subscription offer through the Subscription Functionality and execute it after acceptance by the Sole Bookrunner together with the depository bank of the investor.

Investors may also place orders for shares directly with ICF BANK AG via their depository banks.

5.3 No Public Offering outside Germany and Luxembourg

No action has been taken or will be taken in any jurisdiction outside of Germany and Luxembourg by us or the Underwriter that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this prospectus or any other material relating to us or the Offer Shares, in any other country or jurisdiction than Germany and Luxembourg where action for that purpose is required.

Accordingly, no Offer Shares may be offered or sold either directly or indirectly, and neither this prospectus nor any other offering material or advertisements in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction. See the selling and transfer restrictions described in “20.2 Selling Restrictions“.

5.4 Offer Period, Price Range, Offer Price and Allocation

5.4.1 Offer Period

The period during which investors may submit purchase orders for the Offer Shares will commence on 12 June 2018 and end on 18 June 2018 (the “**Offer Period**”). On the last day of the Offer Period, purchase offers may be submitted (i) until 17:00 hrs. (CEST) by private investors, in particular retail investors, who want to submit subscription offers through the Subscription Functionality and (ii) until 17:00 (CEST) by institutional investors. Purchase orders must be for at least ten shares and be expressed in full EUR amounts or increments

of 25, 50 or 75 eurocents, except for orders placed via the Subscription Functionality to which such restrictions do not apply. Retail investors may place orders with more than one bank. Purchase orders are freely revocable until the respective Offer Period expires.

Previously to the public offering selected institutional investors submitted subscription offers to the Sole Bookrunner. These subscription offers were placed in the Price Range in accordance with Section 5.4.2 of this prospectus and will join the allocation in accordance with Section 5.4.3 of this prospectus.

5.4.2 Price Range, Offer Price and Number of Offer Shares

The price range within which offers to purchase may be submitted is €16.00 to €19.00 per Offer Share (the “**Price Range**”).

After expiry of the Offer Period on 18 June 2018, the offer price (the “**Offer Price**”) and the final number of Offer Shares placed in the Offering (i.e., the result of the Offering) will be determined by the Company and the Selling Shareholder after consultation with the Sole Bookrunner using the order book prepared during the bookbuilding process. The Offer Price and the final number of Offer Shares (that is, the result of the Offering) will be set on the basis of the purchase orders submitted by investors during the Offer Period that have been collated in the order book. Consideration will also be given as to whether the Offer Price and the number of shares to be placed allows for the reasonable expectation that the share price will demonstrate steady performance in the secondary market given the demand for the Company’s shares noted in the order book. Attention will be paid not only to the prices offered by investors and the number of investors wanting shares at a particular price but also to the composition of the group of shareholders in the Company that would result at a given price (so-called investor mix) as well as expected investor behavior. For further information regarding allotment criteria see “5.4.3 Allocation”. Neither the Company, nor the Selling Shareholder, nor the Sole Bookrunner will charge investors any expenses or tax incurred in connection with the Offering.

The Offer Price and the final number of Offer Shares (that is, the result of the Offering) are expected to be published on or around 18 June 2018 by means of a public disclosure of inside information in various media distributed across the entire European Economic Area, such as Reuters or Bloomberg, and on the Company’s website (www.capsensixx.de - under the menu item “Investor Relations”). Investors who have placed purchase offers with the Sole Bookrunner can obtain information from the Sole Bookrunner about the Offer Price and the number of the Offer Shares allotted to them, at the earliest, on the first bank working day following the pricing.

Investors who have submitted subscription offers via the Subscription Functionality may liaise with their respective depositary banks to obtain information as to the number of allocated Offer Shares.

5.4.3 Allocation

Allocation of the Offer Shares is expected to take place on the day of the closing of the Offer Period, which will end on 18 June 2018.

Allotments of Offer Shares to non-retail investors who placed orders with the Underwriter directly will be made on the basis of the quality of the individual investors and individual orders and other important allotment criteria to be determined by the Company, the Selling Shareholders and ICF BANK AG. There is no maximum or minimum number of Offer Shares for which prospective investors may subscribe and multiple (applications for) subscriptions are permitted. In the event that the Offering is over-subscribed, investors may receive fewer Offer Shares than they applied to subscribe for. The Company and the Selling Shareholder may, together with the Sole Bookrunner, at their own discretion and without stating the grounds therefor, reject any subscriptions wholly or partly.

The allotment of Offer Shares to retail investors who place orders through the XETRA-system will be made on a non-discriminatory basis (however such retail investors may be treated differently, for example based on the size of orders placed through the XETRA-system).

There are no agreements in place among the Company, the Selling Shareholder and the Sole Bookrunner as to the allotment procedure. The ultimate decision on the allocation of Offer Shares to investors rests with the Company and the Selling Shareholder after consultation with the Sole Bookrunner.

Allocations to institutional investors will be made on the basis of the quality of the individual institutional investors (including with respect to expected holding strategy and order size), as well as other important allotment criteria, for example the timing of the order, and will be determined by the Company and the Selling Shareholder after consultation with the Sole Bookrunner.

Investors participating in the Offering will be deemed to have checked and confirmed that they meet the selling and transfer restrictions described in “Selling and Transfer Restrictions”. Each investor should consult his/her own advisers as to the legal, tax, business, financial and related aspects of a purchase of Offer Shares.

5.5 Delivery and Payment

Book-entry delivery of the allotted Offer Shares against payment of the Offer Price and the customary securities commission (*Effektenprovision*) is expected to take place on 20 June 2018 (the “**Settlement Date**”). The allocated Offer Shares will be made available to shareholders as co-ownership interests in the respective global share certificate. Trading in the Company’s shares may commence before investors have received notice of the number of the Offer Shares allotted to them.

At their discretion, investors may choose to have shares they acquire in the Offering credited to (i) the securities account of a bank held for their account at Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany (“**Clearstream**”), (ii) the securities account of a participant in Euroclear Bank S.A./N.V., 1, Boulevard Roi Albert II, 1120 Brussels, Belgium, as the operator of the Euroclear system, or (iii) Clearstream Banking S.A., 42 Avenue JF Kennedy, 1855 Luxembourg, Luxembourg.

5.6 Amendments to the Terms of the Offering

The Offer Price Range is an indicative price range. The Company and the Selling Shareholder reserve the right, after consultation with the Sole Bookrunner, to reduce or increase the number of Offer Shares, to reduce or increase the upper and lower limits of the Price Range and/or to extend or shorten the Offer Period. To the extent that the terms of the Offering are changed, such change will be announced through electronic media, on the Company’s website (www.capsensixx.de - under the menu item “Investor Relations”) and published, if required by the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and/or Regulation (EU) No 596/2014 on market abuse (“**Market Abuse Regulation**” or “**MAR**”), as an Ad hoc Announcement in accordance with the Market Abuse Regulation and as a supplement to this prospectus, as the case may be. Investors who have submitted purchase orders will not be informed individually. Changes to the number of the Offer Shares or the Price Range or extension or shortening of the Offer Period will not invalidate purchase orders already submitted. Under the German Securities Prospectus Act (*Wertpapierprospektgesetz*), investors who have submitted a purchase order before a supplement is published are granted a period of two business days from publication of the supplement to withdraw their orders, provided that the new circumstance or material mistake that makes a supplement necessary occurred prior to the final expiration of the Offering and prior to the delivery of the shares. Within two days of publication of the supplement, instead of withdrawing the purchase offers placed prior to the publication of the supplement, the investor may change such orders or submit new limited or unlimited orders.

Cancellations must be filed with the Underwriter with which the purchase order was placed or via the investor’s depository bank if the order is initially placed via the XETRA-trading system.

The underwriting agreement between the Company, the Selling Shareholder and the Sole Bookrunner, expected to be entered into on 11 June 2018 (the “**Underwriting Agreement**”), stipulates that the Sole Bookrunner may terminate the Underwriting Agreement under certain circumstances, even after the Offer Shares have been allotted and listed, until delivery and settlement of the Offer Shares (see “20.1 Underwriting – General”). If the Underwriting Agreement is terminated, the Offering will not take place. In this case, any allocations already made to investors will be invalidated, and investors will have no claim for delivery. Claims with respect to security commissions already paid and costs incurred by an investor in connection with the

subscription will be governed solely by the legal relationship between the investor and the institution to which the investor submitted its purchase order. Investors engaging in short selling, bear the risk of being unable to satisfy their delivery obligations.

5.7 Stabilization Measures, Over-Allotments and Greenshoe Option

In connection with the placement of the Offer Shares, ICF BANK AG or persons acting on its behalf will act as stabilization manager (in such capacity the “**Stabilization Manager**”) and may, acting in accordance with the legal requirements stipulated in the MAR, make over-allotments and take stabilization measures to support the market price of the shares of the Company and thereby counteract any selling pressure.

The Stabilization Manager is under no obligation to take any stabilization measures. Therefore, no assurance can be provided that any stabilization measures will be taken. Where stabilization measures are taken, these may be terminated at any time and without notice. Such measures may be taken from the date the shares of the Company are listed (*notiert*) on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and must be terminated no later than 30 calendar days after this date (the “**Stabilization Period**”). These stabilization measures may result in a market price for the Company’s shares that is higher than it would otherwise have been. Moreover, the market price may be, temporarily, at an unsustainable level.

Under the possible stabilization measures, investors may, in addition to the New Shares and the Sale Shares, be allocated up to 128,625 additional shares in the Company (“**Over-Allotment Shares**”) from the holdings of the Selling Shareholder under a securities loan granted by the Selling Shareholder to the Stabilization Manager under a securities loan (*Wertpapierdarlehen*). The Over-Allotment Shares will not exceed 15% of the total number of the Base Shares.

In order to cover a potential over-allotment, the Selling Shareholder will grant the Sole Bookrunner an option, exercisable by the Stabilization Manager, to acquire up to 128,625 additional new shares in the Company from the Selling Shareholder at the Offer Price (less agreed commission) in order to satisfy the retransfer obligation of the Sole Bookrunner under the securities loan (“**Greenshoe Option**”). The Greenshoe Option shall be exercisable until the 30th day after the commencement of trading in the Company’s shares on the Frankfurt Stock Exchange.

Within one week following the end of the Stabilization Period, an announcement will be published via various media distributed across the entire European Economic Area (“*Medienbündel*”) as to whether or not any stabilization measures were taken, when price stabilization started and finished, the date on which the last stabilization measure was taken, the Price Range within which stabilization measures were taken (for each date on which a stabilization measure was taken) and the trading venues on which stabilization measures were carried out. Any Over-Allotments and exercise of the Greenshoe Option, the date hereof and the number and type of the shares concerned will also be published promptly in the manner previously stated.

5.8 Listing and Trading

Prior to the Offering, there has been no public market for our Shares. Application will be made to list and admit all our Shares to trading on the Frankfurt Stock Exchange under the German Securities Code A2G9M1. The ISIN (International Security Identification Number) is DE000A2G9M17 and the ticker symbol is CPX .

Subject to acceleration or extension of the timetable for the Offering, trading in the Offer Shares on Frankfurt Stock Exchange is expected to commence on 21 June 2018 (the “**First Trading Date**”). Trading in the Offer Shares before the closing of the Offering will take place on an ‘as-if-and-when-issued/delivered’ basis.

Payment for and delivery of the Offer Shares is expected to occur on the Settlement Date, subject to acceleration or extension. The closing of the Offering may not take place on the Settlement Date or at all, if certain conditions or events referred to in the Underwriting Agreement are not satisfied or waived or occur on or prior to such date. See “5.5 Delivery and Payment” and “5.6 Amendments to the Terms of the Offering”.

If Settlement does not take place on the Settlement Date as planned or at all, the Offering may be withdrawn, in which case all subscriptions for Offer Shares will be disregarded, any allotments made will be deemed not

to have been made and any subscription payments made will be returned without interest or other compensation and transactions in the Offer Shares on Frankfurt Stock Exchange may be annulled. Any dealings in Shares prior to Settlement are at the sole risk of the parties concerned. Neither the Company, the Selling Shareholder, ICF BANK AG (neither in its capacity as Underwriter, Sole Bookrunner, Listing and Paying Agent nor as sole Sole Global Coordinator) nor the Frankfurt Stock Exchange accept any responsibility or liability for any loss incurred by any person as a result of a withdrawal of the Offering or the related annulment of any transactions in Shares on Frankfurt Stock Exchange.

5.9 Expected Timetable for the Offering

The following is the expected timetable for the Offering, which may be extended or shortened:

11 June 2018	Approval of this prospectus by the BaFin
	Publication of the approved prospectus on the Issuer's website (www.capsensixx.de - under the menu item "Investor Relations")
	Application for admission of the Issuer's shares to trading on the regulated market segment (<i>regulierter Markt</i>) of the Frankfurt Stock Exchange (Prime Standard)
12 June 2018	Commencement of the Offer Period
18 June 2018	Close of the Offer Period
	Determination of the Offer Price and final number of shares allocated
	Publication of the results of the Offering in the form of an ad-hoc release on an electronic information dissemination system and on the Issuer's website (www.capsensixx.de - under the menu item "Investor Relations")
20 June 2018	Admission decision to be issued by the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>)
21 June 2018	Commencement of trading in the Issuer's shares on the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>)
21 June 2018	Book-entry delivery of the Offer Shares against payment of the Offer Price (settlement and closing)

The prospectus will be published on the Issuer's website at www.capsensixx.de (under the menu item "Investor Relations"). Printed copies of this prospectus and any supplements thereto are available at the Issuer's office at Bettinastrasse 57, 60325 Frankfurt am Main, Germany (tel. +49 (69) 7680 585 0).

Information on the Issuer's website (www.capsensixx.de) and information accessible via the Issuer's website is neither part of nor incorporated by reference into this prospectus.

5.10 Information on the Shares

5.10.1 Current and Future Share Capital

As of the date of this prospectus (prior to completion of the Offering), our outstanding and issued share capital consists of 3,100,000 ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*). All of the issued and outstanding shares are fully paid. Issuer does not hold any treasury shares.

In connection with and for the purpose of the Offering, it is expected that the Issuer will issue 330,000 New Shares pursuant to the IPO Capital Increase. Upon registration of the consummation of the IPO Capital

Increase it is expected that the Issuer's outstanding share capital will amount to EUR 3,430,000 and be divided into 3,430,000 ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*). The implementation of the IPO Capital Increase regarding the New Shares is expected to be registered in the commercial register by 19 June 2018.

In connection with and for the purpose of the Offering, it is furthermore expected that the Seller will sell and transfer 527,500 existing Shares to investors who are participating in the Offering.

Assuming full exercise of the Greenshoe Option, the Selling Shareholder will sell an additional 128,625 ordinary bearer shares with no par value (*auf den Inhaber lautende Stückaktien*) from existing Shares held by the Selling Shareholder.

5.10.2 Certification of the Shares

The Issuer's Shares will be represented by global share certificates ("**Global Share Certificates**"), which will be deposited with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany ("**Clearstream Banking AG**").

Section 5 para. 2 of the Articles of Association excludes the right of the shareholders to receive share certificates. According to Section 5 para. 2 of the Articles of Association shareholders shall neither be entitled to claim to the issuance of dividend or renewal coupons.

5.10.3 Voting Rights

Each of the Offer Shares entitles the shareholder to one vote at the Company's general shareholders' meeting (*Hauptversammlung*). There are no restrictions on voting rights. Voting rights are the same for all of the Company's shareholders.

5.10.4 Dividend and Liquidation Rights

The Offer Shares carry full dividend rights as from 1 January 2018 and for all subsequent fiscal years. In the event of the Company's liquidation, the Company's assets remaining after satisfaction of all liabilities of the Company will be distributed to the shareholders in proportion to their interest in the Company's share capital.

5.10.5 ISIN/WKN/Ticker Symbol

International Securities Identification Number (ISIN): DE000A2G9M17

German Securities Code (*Wertpapierkennnummer*, WKN): A2G9M1

Trading Symbol: CPX .

5.11 Transferability of the Shares

The Issuer's shares are freely transferable in accordance with the legal requirements for ordinary bearer shares. Except for the restrictions set forth in "5.12 Lock-up and Limitations on Disposal" and "20.2 Selling Restrictions", there are no prohibitions on disposals or restrictions with respect to the transferability of the Issuer's shares.

5.12 Lock-up and Limitation on Disposal

5.12.1 Company

In the underwriting agreement, dated 11 June 2018, among the Issuer, the Selling Shareholder and the Underwriter, the Issuer agreed with the Underwriter that, during the period commencing on the first day of trading of the Issuer's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (currently expected to take place on 21 June 2018) and ending six months thereafter (the "**Company Lock-Up Period**"),

to the extent legally permissible, without the prior written consent of the Sole Global Coordinator, which may not be unreasonably withheld or delayed, the Issuer will not, and will not agree to,

- announce or effect an increase of the share capital of the Issuer from authorized capital;
- propose to its general meeting an increase of the share capital; or
- announce, effect or propose the issue of securities with conversion or option rights on shares of the Issuer or economically similar transactions.

The aforementioned restrictions do not apply to the IPO Capital Increase and the issuance of shares under the Greenshoe Option, if any.

5.12.2 Selling Shareholder

For the period commencing on the first day of trading of the Issuer's shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (currently expected to take place on 21 June 2018) and ending twenty-four months thereafter (the “**Selling Shareholder Lock-Up Period**“), the Selling Shareholder undertook in writing that they will not, without the prior written consent of the Sole Global Coordinator,

- offer, pledge, allot, distribute, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, transfer or otherwise dispose of, directly or indirectly (including, but not limited to, the issuance or sale of any securities exchangeable into shares of the Issuer), any shares of the Issuer; or
- enter into or perform any transaction economically equivalent to those described in the first bullet above, in particular, the issue of options or conversion rights on shares of the Issuer;

This undertaking shall not restrict any transfer of shares or securities to affiliates of the Selling Shareholder, provided that the recipient of such transfer assumes, by written confirmation to the Sole Global Coordinator, the obligations of the Selling Shareholder hereunder for the then remaining term of this undertaking.

5.13 Information on Our Existing Shareholder

As of the date of this prospectus, PEH Wertpapier AG (defined above as the Selling Shareholder) is our sole shareholder. PEH Wertpapier AG is a stock corporation incorporated under the laws of Germany and registered in the commercial register at the local court (*Amtsgericht*) of Frankfurt am Main under registration number HRB 100020 and is having its business address at Bettinastraße 57-59, 60325 Frankfurt am Main. The share capital of PEH Wertpapier AG is EUR 1,813,800 which is divided into 1,813,800 ordinary non-par value bearer shares (*auf den Inhaber lautende Stückaktien*).

The shares of PEH Wertpapier AG are listed on the regulated market at the Berlin Stock Exchange and on the Open Market Segment of the Frankfurt Stock Exchange (Quotation Board Segment), the Open Market Segment of the Düsseldorf Stock Exchange and the Open Market Segment of the Stuttgart Stock Exchange. The shares of PEH Wertpapier AG have the ISIN (International Security Identification Number) DE0006201403, the German Securities Code (Wertpapier-Kenn-Nummer) 620140 and the trading symbol PEH (Reuters Instrument Code: PEHG).

The website of PEH Wertpapier AG is <http://www.peh.de/>

5.14 Admission to the Frankfurt Stock Exchange and Commencement of Trading

The Company will apply for admission of its 3,100,000 existing shares and the 330,000 New Shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and, simultaneously, on the sub-segment thereof with additional post-admission obligations (Prime Standard) on 11 June 2018. The decision on the admission of these up to 3,430,000 shares of the Company to trading is expected to be announced on or around 20 June 2018. The decision on the admission of the Company's shares to trading will be made solely by the Frankfurt Stock Exchange (*Frankfurter*

Wertpapierbörse) at its discretion. Trading of these shares of the Company on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) is expected to commence on 21 June 2018.

5.15 Designated Sponsor

ICF BANK AG has agreed to assume the function of a designated sponsor of the Shares traded on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). Pursuant to the designated sponsor agreement expected to be concluded among ICF BANK AG and the Issuer, ICF BANK AG will, among other things, place limited buy and sell orders for the Shares in the electronic trading system of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) during regular trading hours. This is intended to achieve greater liquidity in the market for the shares.

5.16 Consent to use prospectus

The Issuer gives its express consent to the use of the prospectus and accepts responsibility for the content of the prospectus for final placement of the Offer Shares in Germany by financial intermediaries involved by ICF BANK AG, which are credit institutions licensed in accordance with article 4 number 1 of Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006, as amended, to trade securities (each a "**Financial Intermediary**"), during the time period from the beginning of the Offer Period on 12 June 2018 until (and including) 18 June 2018. The Issuer may revoke or limit its consent at any time, whereby such revocation or limitation requires a supplement to the prospectus.

Any Financial Intermediary involved by ICF BANK AG using the prospectus must (i) state on its website that it uses the prospectus in accordance with the consent and the conditions attached thereto and (ii) ensure that it complies with all applicable laws and regulations in force in the respective jurisdiction. In the event of an offer being made by a Financial Intermediary, such Financial Intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.

5.17 Interests of parties participating in the Offering

The Sole Bookrunner is acting as underwriter in the Offering and will receive a commission upon successful completion of the Offering. The amount of the Sole Bookrunner's commission will depend on the volume of the Offering and the Offer Price. The Sole Bookrunner therefore has an interest that as many Offer Shares as possible are placed at the highest price possible.

The Sole Bookrunner and its affiliates have provided and/or may in the future, from time to time, provide services to companies of the Group and/or the Selling Shareholder, in the ordinary course of business in its capacity as financial institution, for example, in financing transactions. The Sole Bookrunner may at any time in the future act as principal or agent for one or more than one party, hold long or short positions, and may trade or otherwise effect transactions, for its own account or for the account of customers, in the shares of the Company or the Selling Shareholder or in debt securities of the Group or the Selling Shareholder and enter into financing arrangements (including swaps) with various parties including investors in debt or equity securities of the Group or the Selling Shareholder. For example, the Sole Bookrunner executed listing-and trading services to companies of the Group and/or the Selling Shareholder.

In the event of a successful Offering, the Sole Bookrunner may also be selected as financial advisor in future transactions or act as lender or arranger of future financing transactions or trade for its own account or for the account of their customers, in debt or equity securities of the Group. The Selling Shareholder will, for example, act as designated sponsor and specialist for the shares of the Issuer.

As a result of these contractual relationships and the other matters described in the previous paragraphs of this section 5.17, the Sole Bookrunner has an interest in the results of the Offering, resulting in potential conflicts of interests.

The Selling Shareholder will receive the proceeds from the sale of the Sale Shares and, to the extent the Greenshoe Option is exercised, in the Over-Allotment Shares, in the Offering. Therefore, the Selling

Shareholder and, in turn, its major shareholder, Martin Stürner, who is the Selling Shareholder's founder and a member of the Company's supervisory board as its chairman, have a personal interest in the successful implementation of the Offering at the best possible terms.

Since the Company will receive the net proceeds from the Offering of the New Shares and these will strengthen the equity capital basis of the Company, all direct and indirect shareholders with an interest in the Company, specifically the Company's current sole shareholder, the Selling Shareholder, in turn, its major shareholder Martin Stürner, have an interest in the successful implementation of the Offering.

Consequently, the above-mentioned parties participating in the Offering have an interest in the completion of the Offering at the best possible terms.

The Selling Shareholder will remain a majority shareholder of the Company following the Offering. The Selling Shareholder's and Mr. Stürner's interests (as the Selling Shareholder's major shareholder) may not align with the interests of other shareholders of the Company resulting in a potential conflict of interests.

Other than the interests described above, there are no material interests, in particular no material conflicts of interests, with respect to the Offering.

6. PROCEEDS OF THE OFFERING AND COSTS OF THE OFFERING AND LISTING

The Company will receive the proceeds (after deduction of the Sole Bookrunner's commissions and other costs to be borne by the Company) resulting from the sale of the New Shares. The Company will not receive any proceeds from the sale of the Sale Shares and the Over-Allotment Shares which will, if any, instead be received by the Selling Shareholder.

The amount of the gross proceeds from the Offering to the Company and the Selling Shareholder as well as the overall costs related to the Offering, including the Sole Bookrunner's and Sole Global Coordinator's commissions depend on the Offer Price and the number of shares that will be placed in the Offering.

Assuming full placement of 330,000 New Shares at an offer price of EUR 17.50, which is the mid-point of the price range set for the Offering of the Offer Shares (the "**Price Range**"), the total gross proceeds to the Company from the Offering will be approximately EUR 5.78 million. The Company will bear the commissions payable to the Sole Bookrunner and attributable to the New Shares (including a possible discretionary fee) and 40% of the total other costs related to the placement of the Shares as well as the listing of the Company's entire share capital. Based on the aforementioned assumptions, the Company estimates that the commissions payable to the Sole Bookrunner and attributable to the Company (including a possible discretionary fee) together with the other costs attributable to the Company will amount to approximately EUR 0.64 million. Accordingly, assuming an Offer Price at the mid-point of the Price Range (and the full exercise of the Greenshoe Option by the Sole Bookrunner), the net proceeds from the Offering to the Company (after deducting the Sole Bookrunner's commissions and other costs attributable to the Company) (the "**Net Proceeds**") will amount to approximately EUR 5.14 million. The decision on the number of the New Shares to be placed will be made on 18 June 2018.

The Selling Shareholder will receive the proceeds from the sale of the Sale Shares and the Over-Allotment Shares (after deduction of the commissions and other costs to be borne by the Selling Shareholder with respect to the Sale Shares). Assuming full placement of the Sale Shares and the Over-Allotment Shares (and the full exercise of the Greenshoe Option by the Sole Bookrunner) at an Offer Price of EUR 17.50, which is the mid-point of the Price Range for the Offering of the Offer Shares, the total gross proceeds to the Selling Shareholder from the Offering will be EUR 11.48 million. The Selling Shareholder will bear the commissions related to the placement of the Sale Shares and the Over-Allotment Shares (assuming the full exercise of the Greenshoe Option by the Sole Bookrunner) and 60% of the total other costs related to the placement of the Shares as well as the listing of the Company's entire share capital. Based on the aforementioned assumptions, the Company estimates that the commissions payable to the Sole Bookrunner and attributable to the Selling Shareholder (including a possible discretionary fee) together with the Selling Shareholder's share in the other costs will amount to approximately EUR 1.02 million. Accordingly, assuming an Offer Price at the mid-point of the Price Range, the net proceeds from the Offering to the Selling Shareholder (after deducting the Sole Bookrunner's commissions and other costs attributable to the Selling Shareholder) will amount to approximately EUR 10.46 million.

If the Greenshoe Option is not exercised the Net Proceeds of the Selling Shareholder (assuming a full placement of the 527,500 Sale Shares offered), after deduction of the commissions (including the full discretionary fee) and other costs attributable to the Selling Shareholder amounting to approximately EUR 0.91 million would then amount to approximately EUR 8.32 million.

We estimate the total net proceeds, assuming an Offer Price at the mid-point of the Price Range and a full exercise of the Greenshoe-Option, after deduction of expenses and commissions to amount to approximately EUR 15.60 million, of which we estimate that EUR 5.14 million are allocated to the New Shares, EUR 8.32 million to the Sale Shares and EUR 2.14 million to the Over-Allotment Shares.

If the Offer Price is set at the lower or higher end of the Price Range, the net proceeds both to the Company and the Selling Shareholder will be lower or higher than as shown above (i.e. at the mid-point of the Price Range).

6.1 Fees and Expenses of the Offering and Listing

Assuming an Offer Price at the mid-point of the Price Range, the total costs and expenses payable together by the Company and the Selling Shareholder of, and incidental to, the issuance of the New Shares, the Offering and listing on Frankfurt Stock Exchange are estimated to amount to EUR 1.66 million if all New Shares are issued and all Sale Shares and all Over-Allotment Shares are sold by the Selling Shareholder.

No expenses or taxes will be charged by the Company or the Underwriters to the applicants in the Offering. Investors will have to bear customary transaction and handling fees charged by their brokers or other financial institutions through which they hold their securities.

7. REASONS FOR THE OFFERING AND LISTING AND USE OF PROCEEDS

7.1 Background and Reasons for the Offering

The Issuer intends to list its shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (Prime Standard) to achieve access to the capital markets. The Issuer also intends to pursue the Offering to receive the proceeds from the placement of the New Shares to finance the growth and development of its business.

We believe that the Offering of New Shares will strengthen our financial position and increase our financial flexibility.

7.2 Use of Proceeds

We will not receive any proceeds from the sale of any Sale Shares in the Secondary Offering or, if the Greenshoe Option is exercised, any proceeds from the sale of any Over-Allotment Shares, the net proceeds of which will be received by the Selling Shareholder.

We intend to use the net proceeds of the New Shares following the Primary Offering mainly for the funding of the expansion strategy of coraixx GmbH & Co KGaA under the non-binding letter of intent entered into with INQUENCE GmbH (“**INQUENCE**”) on 28 March 2018 and the option agreement entered into by coraixx GmbH & Co. KGaA (in formation) and INQUENCE on 7 June 2018 (the “**Option Agreement**”), which expansion will support our operational and business strategy.

Based on that letter of intent, the Company intends to acquire 100% of newly issued shares in coraixx subject to and following a successful placement of the New Shares. Based on the letter of intent and the Option Agreement, EUR 1.5 million are required to purchase the licences and the existing accounting clients of INQUENCE and a further up to EUR 3.5 million are required to fund the working capital needs of coraixx. Thus said, up to EUR 5 million of the net proceeds of the primary tranche of the offering are used for coraixx, remaining net proceeds, if any, we will use for funding the growth of our business and general corporate purposes.

Digitization of accounting is said to be one of the most disruptive trends and enables clients to lower their processing costs while generating a real-time data set for in-depth data analytics. Based on the “Final Report in the eRechnung Project” as of July 2013 published by the Goethe University of Frankfurt together with the Federal Ministry of Interior in Germany, about 32 billion paper-bills are processed in Germany per year and the costs of processing is up to EUR 23.00 per invoice.

On 28 March 2018, capsensixx AG and INQUENCE GmbH signed a non binding letter of intent (“**LOI**”) to start a joint venture, which would operate under the name coraixx GmbH & Co KGaA (“**coraixx**”). coraixx shall become a leading provider for a fully automated, self-learning and -adaptive digital accounting technology based on a common development project of Fraunhofer-Gesellschaft and INQUENCE in Dresden.

INQUENCE is an international developer of large-scale content-handling systems for businesses. Founded in 2012 and headquartered in Germany, it provides machine learning based white label and standalone products and „Software-as-a-Service“ solutions that are designed to maximize productivity and are used by German medium-sized companies as well as international corporations.

capsensixx AG and INQUENCE each hold 50% of the shares in coraixx GmbH. On 28 May 2018, coraixx GmbH and capsensixx AG founded coraixx which has been filed for registration in the commercial register at the local court of Frankfurt am Main and which is expected to be registered in the commercial register in June 2018.

Based on the LOI, the Company intends to fund the expansion strategy of coraixx subject to and following a successful placement of the New Shares against a cash contribution. Thus, capsensixx AG would be the sole shareholder of the limited partnership shares (*Kommanditaktien*). At the level of coraixx’ general partner (which is coraixx GmbH), a so called atypical silent participation (*atypischer stiller Beteiligungsvertrag*),

representing 1/3 of coraixx GmbH's profits, has been entered into in favour of Advanced Advisory GmbH, a Darmstadt based advisory company, helping coraixx's future sales teams to address its solution to large-scale institutions primarily in Germany, but in the EU as well.

Based on the LOI, it is contemplated that the general partner and the limited partnership enter into a management contract under which coraixx GmbH, the general partner, agrees to manage the operations of coraixx and receives a general partner fee for (i) taking the liability as general partner in an amount of 10% of all revenues generated by coraixx delivering its accounting solutions and (ii) 50% of the annual profits of coraixx.

The economic proportion of the profit after tax of coraixx attributable to capsensixx is approximately 66.66%. This proportion may derive positively or negatively subject to (i) the costs on the level of the general partner (coraixx GmbH) and (ii) the reimbursement for liability.

As of the date of this prospectus, coraixx has not generated any revenues. coraixx has signed the Option Agreement with INQUENCE pursuant to which coraixx has the option to enter into a licence and asset purchase agreement with INQUENCE (the "**Licence and Asset Purchase Agreement**") on the purchase of licenses for the use of the INQUENCE proprietary technology to transform unstructured data in structured data for accounting purposes. The licenses to be acquired under the Licence and Asset Purchase Agreement in consideration for an amount of up to EUR 5 million contain an exclusive license for the use in Germany and a non-exclusive bundle of national licenses to operate globally without limitation. Subject to the Licence and Asset Purchase Agreement, the exclusive license might be exchanged into a non-exclusive license, if the agreed business activity targets and initiatives of coraixx are substantially not met within 36 months following its purchase.

Beside the licenses, the Licence and Asset Purchase Agreement does also provide for the purchase of existing clients, for which INQUENCE actually delivers its technology. As the "Software-as-a-Service" solution is running with existing clients (with TUI as anchor customer) since October 2017, these clients, the agreements in place and the revenues produced starting on the exercise date (including) of the Option Agreement, will be purchased with effect of coraixx's exercise of the option on the exercise date. The option under the Option Agreement expires on 30 June 2018.

As coraixx is the owner of the option to purchase under the Option Agreement, it has the right to enter into the Licence and Asset Purchase Agreement but is not legally obliged to, while INQUENCE, as the grantor of the option, has the obligation to deliver the licenses and the sold assets as set out in the Licence and Asset Purchase Agreement upon exercise of the option by coraixx. coraixx' option under the Option Agreement expires on 30 June 2018.

If we do not receive net proceeds in the primary tranche of the offering of EUR 5 million (which corresponds to an offer price of less than EUR 17.00), we will have to adapt our expansion strategy or might seek alternative financing (ie Group financing or external debt), but will still be able to pursue the option under the Option Agreement. If we do not exercise the option, the net proceeds of the New Shares are used for funding the growth of our existing businesses and general corporate purposes to accelerate growth

Since the exercise of the option by coraixx will neither trigger a significant gross change as regards capsensixx' total assets, revenues or profits (as reflected in the combined financial statements included in this Prospectus (see F-37 et. seqq.) the Issuer is under no obligation to produce pro-forma financial information as regards coraixx.

8. DIVIDEND POLICY; RESULTS AND DIVIDENDS PER SHARE; USE OF PROFITS

8.1 General

The shareholders' share of the Issuer's profits is determined based on their respective interests in the Issuer's share capital. The distribution of dividends for a given fiscal year and the amount and payment date thereof, are resolved by the shareholders' meeting (*Hauptversammlung*) of the subsequent fiscal year either upon a joint proposal by the Management Board and the Supervisory Board or upon the Management Board's or the Supervisory Board's proposal. The shareholders' meeting must be held within the first eight months of each fiscal year.

Dividends may only be distributed from the distributable profit (*Bilanzgewinn*) of the Issuer. The distributable profit is calculated based on the Issuer's unconsolidated financial statements prepared in accordance with the requirements of the German generally accepted accounting principles of the German Commercial Code (*Handelsgesetzbuch*). Accounting principles set forth in the German Commercial Code (*Handelsgesetzbuch*) differ from IFRS in material respects.

When determining the distributable profit, net income or loss for the year (*Jahresüberschuss/-fehlbetrag*) must be reduced by profit/loss carry-forwards (*Gewinn-/Verlustvorträge*) from the prior fiscal year and releases of or allocations to reserves. Certain reserves are required to be set-up by law, and amounts mandatorily allocated to these reserves in the given fiscal year must be deducted when calculating the distributable profit.

The Management Board must prepare unconsolidated financial statements (balance sheet, income statement and notes to the unconsolidated financial statements) and a management report for the previous fiscal year by the statutory deadline and present these to the Supervisory Board and the auditors immediately after preparation. At the same time, the Management Board must present to the Supervisory Board a proposal for the allocation of the Issuer's distributable profits pursuant to Section 170 para. 2 of the German Stock Corporation Act (*Aktiengesetz*). According to Section 171 of the German Stock Corporation Act (*Aktiengesetz*), the Supervisory Board must review the unconsolidated financial statements, the Management Board's management report and the proposal for the allocation of the distributable profit and report to the shareholders' meeting in writing on the results.

The shareholders' meeting's resolution on the allocation of the distributable profits requires a majority of votes cast to be passed. Pursuant to Section 19 para. 2 of the Articles of Association, the shareholders' meeting may also resolve that the dividends be distributed partially or entirely in kind. For example, dividends may be distributed as treasury shares if held by the Issuer at the time. Dividends resolved by the shareholders' meeting are due and payable three business days after the relevant shareholders' meeting, unless provided otherwise in the dividend resolution, in compliance with the rules of the respective clearing system. Any dividends not claimed within the past three years become time-barred. Once the statute of limitations applies, the dividend payment claim passes to the Issuer.

Notifications of any distribution of dividends resolved upon are published in the German Federal Gazette (*Bundesanzeiger*) immediately after the shareholders' meeting.

To the extent dividends can be distributed by the Issuer in accordance with the German Commercial Code (*Handelsgesetzbuch*) and corresponding decisions are taken, there are no restrictions on shareholder rights to receive dividends.

8.2 Historic Dividend Pay-out Ratio

capsensixx AG has not paid any dividends in the past. Based on our audited Combined Financial Statements, the dividends paid by our subsidiaries Axxion S.A. and Oaklet GmbH in Historical FY 2017 represented 83% of our combined net profit of Historical FY 2016, and in Historical FY 2016 the dividends paid represented 90% of our combined net profit of Historical FY 2015.

8.3 Dividend Policy

The Issuer currently intends to pay a dividend of more than 50% of the Issuer's annual consolidated net profit (attributable to shareholders). The Issuer intends to pay dividends annually.

The Issuer's intentions in relation to dividend payments are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control. Please see "3.2.2 Risk Factors - The Company relies on its operating subsidiaries to provide it with funds necessary to meet the Company's financial obligations and our ability to pay dividends may be constrained." and "4.3 Forward-Looking Statements". Furthermore, the dividend policy is subject to change as our Management Board will revisit the dividend policy from time to time, especially if such action might be indicated by future growth targets.

8.4 Dividend Ranking of our Shares

All of our Shares issued and outstanding on the day following the Settlement Date, including the Offer Shares, will rank equally and will be eligible for any dividend payment that may be declared on our Shares in the future.

8.5 Manner and Time of Dividend Payments

Payment of any dividend in cash will be made in Euro. Since all of the Issuer's dividend entitlements will be evidenced by the global share certificates deposited with Clearstream Banking AG (Frankfurt am Main), Clearstream Banking AG will be able to transfer the dividends to the shareholders' custodian banks for crediting to their accounts. German custodian banks are under the same obligation to distribute the funds to their customers. Shareholders using a custodian bank located outside Germany must inquire at their respective bank regarding the terms and conditions applicable in their case.

8.6 Taxation of Dividends

Generally, withholding tax (*Kapitalertragsteuer*) is withheld from dividends paid. For more information on the taxation of dividends, see "21.4 Taxation of Dividends of Shareholders with Tax Residence in Germany" and "21.5 Taxation of Dividends of Shareholders without Tax Residence in Germany".

9. CAPITALIZATION AND INDEBTEDNESS; STATEMENT ON WORKING CAPITAL

The following tables set forth the Group's actual capitalization and indebtedness as of 31 March 2018.

Investors should read these tables in conjunction with "11. Selected Combined Financial Information", "12. Management's Discussion and Analysis of Financial Condition and Results of Operations", and the interim financial statements for the three months period ending on 31 March 2018 including the notes thereto, which are included in this prospectus, beginning on page F-3.

9.1 Capitalization

<i>in T€</i>	As of 31 March 2018 <i>(unaudited)</i>
Total current debt¹	9,980
of which guaranteed	-
of which secured	-
of which unguaranteed/unsecured	9,980
Total non-current debt (excluding current portion of long-term debt)²	160
of which guaranteed	-
of which secured	-
of which unguaranteed/unsecured	160
Shareholders' equity³	6,973
of which share capital ⁴	100
of which legal reserve ⁵	-
of which other reserves ⁶	6,873
Total	17,113

¹ This amount summarizes the total of the line items income taxes (T€478), trade payables and other operating payables (T€7,560) and short-term liabilities (T€1,942) in the interim balance sheet as of 31 March 2018.

² This amount reflects the total of the line items deferred tax liabilities (T€100) and long-term liabilities (T€60) in the interim balance sheet as of 31 March 2018.

³ This amount reflects the equity excluding non-controlling interests, including subscribed capital, retained earnings and accumulated other equity as found in the interim balance sheet as of 31 March 2018.

⁴ Subscribed capital as found in the interim balance sheet as of 31 March 2018.

⁵ capsensixx was founded in November 2017; no legal reserve has yet been built up.

⁶ This amount summarizes the total of retained earnings (T€4,460), net profit (T€623) and other equity components (T€1,789) in the interim balance sheet as of 31 March 2018.

9.2 Indebtedness

<i>in T€</i>	As of 31 March 2018 <i>(unaudited)</i>
A. Cash ¹	6,293
B. Cash equivalents	-
C. Trading securities.....	-
D. Liquidity (A) + (B) + (C).....	6,293
E. Current financial receivable²	1,181
F. Current bank debt	-
G. Current portion of non-current debt	-
H. Other current financial debt ³	2,420
I. Current financial debt (F) + (G) + (H).....	2,420
J. Net current financial indebtedness (I) – (E) - (D)	-5,054
K. Non-current bank loans	-
L. Bonds issued	-
M. Other non-current loans ⁴	160
N. Non-current financial indebtedness (K) + (L) + (M).....	160
<hr/> O. Net financial indebtedness (J) + (N)	<hr/> -4,894

¹ Represents cash in bank as reflected under cash and cash equivalents in the interim balance sheet as of 31 March 2018.

² Reflects the sum of income tax assets (T€87) and short term financial assets (T€1,094) in the interim balance sheet as of 31 March 2018.

³ Reflects the sum of income taxes (T€478) and short term liabilities (T€1,942) in the interim balance sheet as of 31 March 2018.

⁴ Represents the sum of deferred tax liabilities (T€100) and long-term liabilities (T€60) in the interim balance sheet as of 31 March 2018.

9.3 Statement on Working Capital

The Issuer is of the opinion that capsensixx is in a position to meet its payment obligations that become due within at least the next twelve months from the date of this Prospectus.

9.4 No Significant Change

In a general meeting held on 28 March 2018, PEH Wertpapier AG as sole shareholder of the Company resolved to increase the capital of the Company from EUR 100,000 by EUR 3,000,000 to EUR 3,100,000 by issuing 3,000,000 with a notional value and issue price of EUR 1.00 per share, thus a total issue price of EUR 3,000,000, to PEH Wertpapier AG against a contribution in kind of PEH Wertpapier AG's share in Oaklet

GmbH with a nominal amount of EUR 32,450 (constituting a stake of approximately 50.94% in the registered share capital and the voting rights in Oaklet GmbH) (the “**Contributed Oaklet-Share**”) and PEH Wertpapier AG’s 600,001 shares with a nominal value of EUR 1.25 per share in Axxion S.A. (constituting a stake of approximately 50.0001% of the share capital and voting rights in Axxion S.A.) (the “**Contributed Axxion-Shares**”). The capital increase became legally effective by registration in the commercial register of capsensixx AG on 18 April 2018. These contributions resulted in a significant increase in assets and equity in the Company's unconsolidated balance sheet. Please note, however, as the transfer was already contemplated prior to 31 December 2017, these entities have been included in the combined financial information of the Group included in this prospectus and are also reflected in the interim financial information of the Group as of 31 March 2018 included in this prospectus. Other than that, there have been no significant changes to the financial condition and operating results of the Company since 31 March 2018.

For information on the recent development of our business and the management’s view on full year trends, see “26. Recent Development and Outlook”.

10. DILUTION

The voting interest of the Selling Shareholder as the sole current holder of our Shares will be diluted as a result of the issuance of the New Shares. The maximum dilution for the Selling Shareholder of our Shares pursuant to the issuance of the New Shares would be approximately 9.6%, assuming the issuance of 330,000 New Shares.

According to the interim financial statements as of 31 March 2018, the net asset value (net book value) of the Company amounted to T€6,973. The net asset value as of 31 March 2018 corresponds to total assets of T€23,419 minus total non-current liabilities of T€160 and total current liabilities of T€9,980 and minus non-controlling interests of T€ 6,306. The net asset value per share (equity attributable to the Company's shareholders per share), which corresponds to the net asset value as of 31 March 2018 divided by the number of outstanding Issuer's shares immediately prior to the Offering, would amount to €2.25 per Issuer's share (this per share figure being referred to as the **"Pre-IPO Equity attributable to Shareholders per Share"**) based on 3,100,000 outstanding Issuer's shares immediately prior to the Offering.

The dilutive effect of the Offering is illustrated in the table below demonstrating the amount by which the Offer Price at the mid-point of the Price Range exceeds the net asset value per share attributable to shareholders after completion of the Offering assuming the below-described steps of the Offering had taken place on 31 March 2018. In this respect, the net asset value attributable to shareholders as of 31 March 2018 is adjusted for the effects of the Offering, assuming (i) the execution of the IPO Capital Increase in the maximum number of offered New Shares and (ii) an increase in the net asset value attributable to shareholders at the mid-point of the Price Range by EUR 17.50. The assumed increase is based on the expected net proceeds not considering any tax effects. The adjusted net asset value attributable to shareholders is expressed as a per share figure, assuming 3,430,000 outstanding shares of the Issuer upon completion of the Offering (this per share figure being referred to as the **"Post-IPO Equity attributable to Shareholders per Share"**).

	As of 31 March 2018 (Mid-point)
Offer Price per share (in EUR).....	17.50
Total gross proceeds to the Issuer, assuming placement of all New Shares (in TEUR).....	5,775
Estimated total costs of the Offering to be borne by the Issuer, assuming placement of all New Shares (in TEUR)	640
Total net proceeds to the Issuer assuming placement of all New Shares (in TEUR).....	5,135
Pre-IPO Equity attributable to Shareholders per Share (in EUR)	2.25
Post-IPO Equity attributable to Shareholders (in TEUR)...	12,108
Post-IPO Equity attributable to Shareholders per Share (in EUR).....	3.53
Amount by which the Offer Price per share exceeds the Pre-IPO Equity attributable to Shareholders per Share (direct dilution per share for the parties acquiring the New Shares) (in EUR)	15.25
Percentage by which the Offer Price per share exceeds the Pre-IPO Equity attributable to Shareholders per Share	678

(direct dilution per share for the parties acquiring the New Shares) (in %)	
Amount by which the Post-IPO Equity attributable to shareholders per share exceeds the Pre-IPO Equity attributable to Shareholders per Share (immediate accretion to the existing shareholder of the Issuer/Selling Shareholder per share) (in EUR)	1.28
Percentage by which the Post-IPO Equity attributable to shareholders per share exceeds the Pre-IPO Equity attributable to Shareholders per Share (immediate accretion to the existing shareholder of the Issuer/Selling Shareholder per share)(in %)	56.9

Each of the New Shares will have the same voting rights as the Issuer's existing shares.

Prior to the Offering, the Selling Shareholder held 100.00% of the voting rights of the outstanding shares of the Issuer. Upon completion of the Offering (assuming an exercise of the Greenshoe Option in full), the aggregate voting rights held by the Selling Shareholder would amount to 71.25% of the voting rights related to the outstanding shares of the Issuer.

11. SELECTED FINANCIAL INFORMATION

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

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

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

11.1 Selected Financial Information from the Income Statement

<i>in T€</i>	Three months ended			Year ended	
	31 Mar. 2018	31 Mar. 2017	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenues	25,428	15,289	116,200	65,544	69,455
Other operating income.....	260	143	694	753	943
Cost of materials.....	-20,295	-11,056	-96,583	-48,768	-52,486
Wages and salaries	-1,367	-1,135	-5,331	-4,708	-4,399
Social security, pension and other benefits.....	-362	-312	-1,408	-1,187	-983
Depreciation and amortization on intangible fixed assets and tangible assets.....	-258	-235	-976	-752	-566
Other operating expenses...	-1,616	-1,251	-5,433	-5,085	-5,133
Finance income.....	0	0	31	40	0
Other interest and similar income	6	3	31	12	52
Finance costs.....	-1	-1	-8	-6	-5
Profit before Tax	1,795	1,445	7,217	5,843	6,878
Taxation.....	-541	-485	-2,241	-1,772	-2,048
Net profit	1,254	960	4,976	4,071	4,830
Net profit attributable to non-controlling interests	631	478	2,447	2,011	2,390
Net profit (attributable to shareholders of capsensixx AG)	623	482	2,529	2,060	2,440

11.2 Selected Financial Information from the Balance Sheet

<i>in T€</i>	31 Mar. 2018	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Assets				
Non-current assets				
Goodwill.....	588	44	44	44
Other intangible assets.....	1,738	1,845	2,124	1,036
Tangible assets.....	866	932	946	1,036
Non-current financial assets.....	540	562	647	560
Deferred tax assets.....	88	105	195	167
Non-current assets	3,820	3,488	3,956	2,843
Current assets				
Trade receivables.....	8,575	44,526	13,140	14,531
Income tax assets.....	87	139	112	77
Short term financial assets.....	1,094	461	2,156	1,119
Available for sale assets ¹	3,550	3,536	1,947	1,204
Cash and cash equivalents	6,293	4,961	3,798	6,849
Current assets	19,599	53,623	21,153	23,780
Total assets	23,419	57,111	25,109	26,623
Equity and Liabilities				
Equity				
Subscribed capital.....	100	100	100	100
Retained earnings.....	4,460	83	42	53
Profit carried forward	0	192	-138	-343
Net profit.....	623	2,529	2,060	2,440
Equity compensation item		2,670	2,670	2,670
Retained adjusted consideration....		360	360	360
Other equity components ²	1,789			
Equity excluding non-controlling interests	6,973	5,934	5,094	5,280
Non-controlling interests	6,306	5,648	4,818	4,945
Non-current liabilities	160	215	223	186
Current liabilities	9,980	45,314	14,974	16,212
Total equity and liabilities	23,419	57,111	25,109	26,623

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

² Line item “Other equity components” contains the amount of the capital increase that was not registered as of the balance sheet date (T€ 3,000), the consolidation items upon the rollover of carrying amounts (T€ -1,061) and expenses relating to the issuance of new shares and the admission to trading on the Frankfurt Stock Exchange (T€ -150).

11.3 Selected Financial Information from the Cash Flow Statement

<i>in T€</i>	Three months ended			Year ended	
	31 Mar. 2018	31 Mar. 2017	31 Dec 2017	31 Dec 2016	31 Dec 2015
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Net profit including minority interests of minority shareholders, and receipts taxes, interest and dividends received.	1,790	1,443	7,168	5,836	6,481
Depreciation on fixed assets...	258	235	976	752	566
Interest paid	-1	-1	-7	-6	-8
Interest received	6	3	58	12	1
Income taxes paid	-550	-388	-2,255	-1,887	-1,979
Gain/loss on disposals	0	0	0	78	11
Increase / decrease of loans and advances to costumers, as well as other assets that are not to associate to investment or financing activities	35,217	7,600	-31,153	-487	-6,639
Increase / decrease of the liabilities to costumers, as well as other liabilities, which are not to associate to investment or financing activity	-35,303	-8,444	30,445	-1,157	7,513
Cash-flow from operating activities.....	1,417	448	5,232	3,141	5,946
Payments for investments in intangible assets	-48	-63	-301	-1,499	-896
Payments for investments in real assets	-37	-178	-383	-328	-390
Cash-flow from investing activities.....	-85	-241	-684	-1,827	-1,286
Dividend payments to shareholders and non-controlling interests	0	0	-3,385	-4,366	-3,496
Cash-flow from financing activities.....	0	0	-3,385	-4,366	-3,496
Change in cash funds.....	1,332	207	1,163	-3,052	1,164
Funds at beginning of period....	4,961	3,798	3,798	6,850	5,686
Funds at end of period.....	6,293	4,005	4,961	3,798	6,850

11.4 Selected Segment Information

<i>in T€</i>	Fund Admin¹	Securitisation²	Fund Admin	Securitisation
	Three months ended 31 Mar. 2018		Three months ended 31 Mar. 2017	
	<i>(unaudited)</i>		<i>(unaudited)</i>	
Segment income.....				
Revenues.....	24,724	704	14,797	491
Other operating income..	154	106	123	21
Segment expenses.....				
Cost of materials.....	-20,295	0	-11,044	-12
Personnel expenses.....	-1,343	-386	-1,170	-277
Depreciation (excluding goodwill).....	-253	-5	-231	-4
Other operating expenses	-1,385	-213	-1,104	-147
Other interest and similar income.....	0	6	0	3
Interest and similar expenses.....	-1	0	-1	0
Finance income.....	0	0	0	0
Segment result (Profit before tax).....	1,601	212	1,370	75
Segment assets.....	19,459	3,219	14,796	2,518
Segment liabilities.....	9,132	339	5,890	132

¹ Fund Administration & Accounting (together “Fund Admin”).

² Capital Markets & Corporate Services (together “Securitisation”).

<i>in T€</i>	Fund Admin¹	Securitisation²	Fund Admin	Securitisation	Fund Admin	Securitisation
	2017		2016		2015	
	<i>(audited)</i>		<i>(audited)</i>		<i>(audited)</i>	
Revenues.....	112,651	3,549	63,024	2,520	66,862	2,593
Other operating income	648	46	674	79	896	47
Cost of materials.....	-96,533	-50	-48,559	-209	-52,431	-55
Personnel expenses.....	-5,412	-1,327	-4,794	-1,102	-4,394	-988
Depreciation (excluding goodwill).....	-951	-25	-735	-17	-556	-10
Other operating expenses.....	-4,808	-625	-4,674	-411	-4,485	-648
Other interest and similar income.....	11	20	2	10	1	51
Interest and similar expenses.....	-8	0	-6	0	-4	-1
Finance income.....	0	31	0	40	0	0
Segment result (Profit before tax).....	5,598	1,619	4,933	910	5,889	989
Income taxes.....	-2,241		-1,772		-2,048	
Net profit attributable to non-controlling interests	-2,447		-2,011		-2,390	
Net profit attributable to shareholders of capsensixx AG.....	2,529		2,060		2,440	
Segment assets.....	52,946	3,821	21,927	2,775	22,587	3,193
Segment liabilities....	43,854	1,019	14,020	444	14,973	640

¹ Fund Administration & Accounting (together “Fund Admin”).

² Capital Markets & Corporate Services (together “Securitisation”).

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION, NET ASSETS AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the sections "Selected Financial Information", "Risk Factors", "Business", and our Financial Statements, including the notes thereto, which are included in the financial section of this prospectus. Prospective investors should read the entire prospectus and not just rely on the information set out below.

*The financial information in this discussion and analysis is taken or derived from the Issuer's combined financial statements as of and for the years ended 31 December 2017 ("**Historical FY 2017**"), 31 December 2016 ("**Historical FY 2016**") as well as 31 December 2015 ("**Historical FY 2015**") (the "**Combined Financial Statements**"), the Issuer's unaudited interim financial statements as of and for the three months ended 31 March 2018 (the "**Interim Financial Statements**") and the Issuer's audited annual financial statements as of and for the year ended 31 December 2017 as well as from our internal reporting system.*

*Our Combined Financial Statements and our Interim Financial Statements are expressed in euro and have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board (IASB), London, as adopted by the EU and applicable on the balance sheet date, and in accordance with the interpretations of the International Financial Reporting Standards Interpretations Committee (IFRSIC). Our Combined Financial Statements have been audited by Baker Tilly, who issued an unqualified audit opinion (Prüfungsvermerk) thereon. Our audited annual financial statements have been prepared in accordance with the German Commercial Code (Handelsgesetzbuch) and have been audited by Baker Tilly, who issued an unqualified audit opinion (Bestätigungsvermerk) thereon. Our Interim Financial Statements are unaudited.*

During the fiscal years covered by the Combined Financial Statements, capsensixx was not a legal group for consolidated financial reporting purposes. The Combined Financial Statements were therefore prepared on the basis of the assumption that capsensixx in its current form existed like a group of companies since 1 January 2014.

The Company is an issuer with a complex financial history, as during the fiscal years covered by the Combined Financial Statements, the Company and its subsidiaries Oaklet and Axxion did not form a legal group for consolidated financial reporting purposes. The Group has rather been established by means of the capital increase of the Company against the contribution of the Selling Shareholder's stake in Axxion S.A. and Oaklet GmbH to capsensixx AG (contribution in kind) which became effective on 18 April 2018 by registration of that capital increase in the Company's commercial register. Since that date the Company is the holding company of the Group. The Combined Financial Statements were therefore prepared on the basis of the assumption that capsensixx in its current form existed like a group of companies since 1 January 2015, due to the fact that Oaklet and Axxion were under common control of PEH Wertpapier AG during the fiscal years covered by the Combined Financial Statements. The Issuer believes the transactions underlying the Combined Financial Statements are based on the best available information of the relative revenues, expenses, assets and liabilities that capsensixx would have incurred had it been operated on a (combined and consolidated) stand-alone group basis operating independently from the Selling Shareholder over the period presented. However, the results in these Combined Financial Statements are not necessarily indicative of those of capsensixx if it had performed the underlying functions as a stand-alone group of companies (combined and consolidated), nor are they indicative of the future revenues, expenses, assets and liabilities of capsensixx. Therefore, the Combined Financial Statements may not necessarily reflect the financial position, results of operations and cash flows of capsensixx as if it were a stand-alone group of companies (combined and consolidated) operating independently from the Selling Shareholder during the periods presented.

As Axxion S.A. and Oaklet GmbH and their subsidiaries were consolidated for the first time as of 28 March 2018 within capsensixx AG, in the Interim Financial Statements, the interim balance sheet and the interim statement of changes in equity as of 31 March 2018 each represent consolidated financial information. Prior to 28 March 2018, capsensixx was not a group within the meaning of IFRS 10. In the Interim Financial Statements, the profit and loss statement, statement of comprehensive income and the statement of cash flows as well as the notes for the period 1 January 2018 to 28 March 2018 have been prepared by combining the IFRS financial statements of Axxion, Oaklet and capsensixx AG (combined financial information). For these

combined financial information statements the same warnings hold true that have been pointed out in the immediately preceding paragraph with respect to the Combined Financial Statements.

Certain information in the discussion below includes forward-looking statements. Because such statements involve inherent uncertainties, actual results may differ materially from the results described in or implied by such forward-looking statements. See “Risk Factors”, “General Information - Forward-looking Statements” and “Business Description” for a discussion of important factors that can cause actual results to differ materially from the results described in or implied by these forward-looking statements.

All of the financial information presented in the following tables is shown in thousands of euro (“TEUR” or “T€”- euro thousand). Numerical figures contained in the following tables in thousands or millions, as well as percentages relating to numerical figures have been rounded in accordance with standard commercial practice. Therefore, totals or subtotals contained in the following tables may differ minimally from figures provided elsewhere in this Prospectus, which have not been rounded. Due to rounding differences, individual numbers and percentages may not add up exactly to the totals or subtotals contained in the following tables or mentioned elsewhere in this Prospectus. In financial data set out in this Prospectus, a dash (“-”) signifies that the relevant figure is not available, while a zero (“0”) signifies that the relevant figures is available and is zero, while a zero point zero (“0.0”) signifies that the relevant figure is available and has been rounded to zero.

In this Prospectus, where financial information regarding capsensixx is labeled “audited”, it means that this information was taken either from our Combined Financial Statements, the annual financial statements of capsensixx AG or from the notes thereto. The label “unaudited” is used in this Prospectus to indicate financial information that was taken or derived from our accounting records, internal management reporting systems or the Interim Financial Statements.

Some tables in this section also present so called Non-GAAP Measures (i.e. figures not defined under IFRS). These Non-GAAP Measures are key figures used by our management to monitor the performance of the Group. Non-GAAP measures not included in the Combined Financial Statements are labeled as “unaudited” in the relevant tables, while Non-GAAP Measures included in the Combined Financial Statements are labeled “audited” in the relevant tables. Non-GAAP measures are defined and reconciled to the most comparable IFRS measure in the section titled “Selected Financial Information” elsewhere in this prospectus.

12.1 Overview

capsensixx focuses on different products and services within the financial industry. It offers “**Financial Administration as a Service**”, which enables initiators and decisionmakers to focus on their investments and performance targets, while capsensixx’ specialists take care of the administration, risk-management, monitoring, controlling, reporting, registration and other relevant regulatory obligations related to the investments. capsensixx provides a “single point of entry” platform for decisionmakers across all asset classes and products on a cross-border basis. Its state-of-the-art technology, innovative services and staff’s expertise enables clients to focus on their core activities and thereby facilitates the investments. Our products and services comprise:

Fund Management, Administration & Accounting: Axxion S.A. (including its Luxembourg subsidiary navAXX S.A. and its German subsidiary Axxion Deutschland Investmentaktiengesellschaft mit Teilgesellschaftsvermögen) (together “**Axxion**”) provides a fully integrated infrastructure for the entire life cycle of an investment fund: our services start with the set-up of the investment structure, the issuance and subscription of fund units, the obtaining of required authorizations and/or listings and cover the day-to-day administration until the final redemption or liquidation of a fund. Axxion also provides portfolio management services.

Capital Markets & Corporate Services: Oaklet GmbH, together with its Luxembourg subsidiary Oaklet S.A. (together “**Oaklet**”), provides advisory services on financial engineering helping sponsors and investors with the set-up of an investment structure tailored to their individual, economic, regulatory and tax requirements. Oaklet arranges and coordinates all third party service providers in connection with the issuance and subscription process as well as the investment and the redemption phase. Additionally, Oaklet S.A., as a regulated corporate service provider, offers corporate and administrative services to its corporate clients.

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

The client base of the Group is very balanced, consisting of multinational companies, financial institutions, alternative investment managers and family offices.

capsensixx believes that the clients of the Group value the quality of our diversified fund, administration and corporate services offering, our global network, our commitment to client relationships and our expertise, reliability and responsiveness.

Within our operating companies we had a skilled workforce of 83.75 professionals (average headcount) in the three-month-period ended 31 March 2018 (79.50 in the Historical FY 2017), the majority of whom have higher education or university degrees. The quality and expertise of our employees is key to providing our clients with high-quality value-added services and building long-term relationships with our clients.

In the Historical FY2017 we generated revenues of T€ 116,200. Our business has grown organically significantly from 2015 to 2017.

12.2 Key Factors Affecting our Results of Operations

The following factors have contributed significantly to the development of our business and results of operations and are expected to continue to have a significant effect on our business and results of operations.

12.2.1 Growth through Acquisitions

In the recent years we have not acquired substantially external businesses through which we added additional scale to our business by expanding our geographic reach, increasing our presence in existing markets and adding specific service lines. On 28 March 2018 we entered into a non-binding letter of intent regarding the set-up of a joint venture with INQUENCE GmbH, a software developer registered in Dresden, by means of acquiring an approximately 66.66% participation (economic interest) in coraixx GmbH & Co KGaA (in formation) (see “7.2. – Use of Proceeds”), a company founded on 28 May 2018. We may expand our operations through acquisitions in the future that meet our investment criteria going forward if suitable opportunities arise.

12.2.2 Organic Growth

In addition to growth through acquisitions as described above, our results of operations are impacted by the organic growth of our business. The key drivers of the organic growth of our business are the net inflow of new client funds and entities, the increase of the average revenue per client fund or entity that we service and the broadening of our existing service offering. As of 1 October 2017, we were able to retain the Frankfurter Aktienfonds für Stiftungen as a customer, which led to an increase by €2.2 billion of the assets under administration, which in turn led to a significant increase of our revenues and our cost of materials.

In addition, our organic growth is impacted by our ability to improve the utilisation of our billable services, our ability to offer additional higher value-added services to our clients and our ability to increase our prices. Achieving operational efficiencies, such as through implementing improvements to our IT system, enables our employees to spend less time on non-billable activities, which generally increases our profits. We also seek to provide additional value-added services to our clients and the client entities to which we provide services. These services can include, for example, substance related services, additional legal administration services (such as organising more frequent board meetings), additional accounting and reporting services (such as quarterly reporting and IFRS reporting services) and compliance services. Finally, we seek to selectively increase our prices in line with inflation. A successful implementation of these initiatives is generally expected to result in an improvement of our revenues and operating profits.

12.2.3 Revenues, Cost of Materials and Pass-through Performance Fees

Our primary source of revenues is from the provision of services to clients. Our revenues from services provided in the historical financial statements comprises income and commissions from fund management, administration and accounting, capital markets and corporate services, digitization and IT-services, which we have reported in our two segments Fund Administration & Accounting and Capital Markets & Corporate Services. A significant portion of fees we generate from our fund management and administration services are performance based fees. Main portion of the performance based fees are typically passed through to the asset managers and fund managers for whom we administer the respective funds and accounted in the profit and loss line item cost of material. Thus, the significant increase in revenues we experienced in our Historical FY 2017 corresponded to a significant increase in cost of materials.

12.2.4 Personnel Expenses

Aside of cost of materials, our largest expense are personnel expenses, the majority of which consists of wages and salaries. In Historical FY 2017 we employed 79.50 employees (average headcount) in Luxembourg and Germany. Our wages and salaries increased at a compounded annual growth rate (the “CAGR”) of 11.9% from 2015 to 2017, while the revenue of the same period grew at a CAGR of 29.4%. Consequently, we have been able to achieve economies of scale by being able to adjust increasing demand for our services without a proportionate increase in our staff.

The following table shows the number of our employees (head count) in total and split by our subsidiaries:

	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015	Growth Rate Dec. 2015 – Dec. 2017	CAGR
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
	T€	T€	T€	in %	in %
Employees	79.50	72.00	62.75	26.7	12.6
Revenues	116,200	65,544	69,455	67.3	29.4
Personnel expenses	-6,739	-5,895	-5,382	25.2	11.9

12.2.5 Non-controlling interests

Our profit and loss statements show a strong discrepancy between our net profit and the net profit that is attributable to the shareholders of capsensixx AG. The reason for this is the high portion of non-controlling interests in our subsidiaries Axxion S.A. (49.9999%) and Oaklet GmbH (49.06%).

12.2.6 Taxation

We operate business in Germany and Luxembourg and each jurisdiction has its own corporate income tax rates. These tax rates vary from a tax rate in Germany of 32.0% to a tax rate in Luxembourg of 29.22%. Our effective tax rate for each of the periods under review is significantly impacted by any acquisitions completed during these periods and the change to the proportion of the segments relative to our total business. Based on the current proportions of our segments in relation to our total business, our effective tax rate for the year ended 31 December 2017 is approximately 31.03%. Our estimate with respect to our effective tax rate in the future is inherently subject to significant uncertainties, many of which are beyond our control. As a result, our actual effective tax rate going forward may vary from our estimate, and those variations may be material.

12.2.7 Foreign Currency Fluctuations and Translation

Our functional currency is euro. Our exposure to the risk of changes in exchange rates relates primarily to our operating activities where revenue or expenses are contracted in a different currency than our functional currency. Our foreign currency exposures relate mainly to US Dollars (USD), Canadian Dollar (CAD) and Swiss Francs (CHF) and were not material to the Group in the historical period.

At Group level, all assets and liabilities of foreign operations are translated to EUR at exchange rates at the relevant reporting date. Income and expenses of foreign operations are translated to EUR at the relevant reporting date using exchange rates as at the dates of the relevant transactions.

12.2.8 Regulatory Environment

Increasing regulatory complexity contributes to the growth of our business. The implementation of new regulations to increase transparency and reporting requirements and to discourage aggressive tax planning measures results in more complexity, a greater administrative burden and higher compliance costs for our clients and potential clients. The trend towards increasing complexity in the regulatory environment has historically tended to more than offset initiatives aimed at regulatory and legal simplification or international harmonisation. Increased compliance requirements for clients also drives the demand for substance services, which in turn further drives request of our services and the growth of headcount due to additional requirements.

12.2.9 Outsourcing Trends

On the back of increased regulatory complexity, outsourcing has increased as clients no longer have the time, expertise or risk appetite to perform the required services in-house. This is particularly the case for activities where in-house provision of services would result in sub-scale operations or where limited internal institutional knowledge exists, as is often the case for support functions in new geographic markets. Our business benefits from clients and prospective clients looking to achieve cost savings and improved service by outsourcing their corporate service requirements to us because of our specialised capabilities and larger scale.

12.2.10 Macroeconomic Trends and Global Economic Performance

Macro-economic fluctuations historically had limited impact on our industry and on our business due to the non-discretionary nature of many of our administrative services that we provide. Many of the services that we provide are legally or otherwise required on an annual basis irrespective of a client's financial or operational performance. However, as a service provider to internationally invested funds and vehicles, we are exposed to changes in the economic and financial performance of the countries in which these products are invested and the state of the global economy as a whole. The growth of our business is also tied to trends in global trade and foreign investment as the incorporation of new structures is largely driven by increased economic and M&A activity. Such trends can impact our long-term growth prospects and the demand for our services. In addition, certain of our business services offerings, which are dependent on the volume of relevant transactions are exposed to more short term fluctuations in global economic activity and can fluctuate with the level of economic growth in the relevant regions.

12.3 Key Performance Indicators

We use several financial key performance indicators (Revenues, Profit before tax and Net Profit) to track the performance of our business.

The following tables present our key performance indicators for each Historical FY 2015, 2016 and 2017:

<i>in T€</i>	Three months ended			Year ended	
	31 Mar. 2018	31 Mar. 2017	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenues	25,428	15,289	116,200	65,544	69,455
Profit before tax	1,795	1,445	7,217	5,843	6,878
Net profit	1,254	960	4,976	4,071	4,830

12.4 Description of Key Line Items

Set out below is a brief description of the composition of key line items in our financial statements.

12.4.1 Revenues

Our primary source of revenues is from the provision of services to clients. Our services are provided on a time and cost basis or on a fixed price basis or a combination of both. Our historic revenues from services comprises income and commissions from fund management, administration and accounting, capital markets and corporate services, digitization and IT-services, which we have reported in our two segments Fund Administration & Accounting and Capital Markets & Corporate Services. Our revenues are mainly driven by organic growth. Acquisitions and other factors such as foreign currency fluctuations are not of substantial importance.

12.4.2 Other Operating Income

Other operating income includes mainly charges for IT services and benefit in kind for car usage.

12.4.3 Cost Of Materials

The most part of our servicers (in particular the asset managers, financial institutions and family offices, which may also be clients) act as asset managers or portfolio advisors for the administrated funds and securitisations and typically receive a fixed fee or a variable fee or a combination of both. The Cost of materials comprise such management, advisory and performance fees, paid to such servicers. Cost of materials also include sales charges and distribution fees paid to distributors.

12.4.4 Personnel Expenses

Personnel expenses consist of wages and salaries, social security, pension costs and other benefits.

12.4.5 Depreciation and Amortization on intangible fixed assets and tangible assets

Our tangible assets include leasehold improvements, furniture and fittings, office and computer equipment and motor vehicles and are subject to linear depreciation. Intangible assets include computer software and is amortized over the economic useful life on a linear basis. Goodwill is amortised in accordance to IAS 36 by performing impairment tests.

12.4.6 Other Operating Expenses

Other operating expenses include rental costs, marketing and sales expenses, license costs, IT expenses, travel, insurance costs, legal and other advisory fees, losses on disposals and other costs associated with our business operations. It also includes (i) transaction and monitoring costs; and (ii) integration costs, which are specific expenses incurred not in the ordinary course of business and which are separately disclosed by virtue of their size or incidence to enable a full understanding of our financial performance. Transaction and monitoring costs include costs related to transactions such as acquisition due diligence costs, external legal and other advisory fees incurred in connection with acquisitions, and advisory fees incurred in preparation for the Offering; and (ii) monitoring fees charged by consultant agents distributing consultancy or monitoring services to our Group. Integration costs include costs incurred in connection with the integration of acquisitions, such as moving costs, IT expenses, severance payments and temporary employee costs.

12.4.7 Net Finance Costs/Income

Net finance costs/income comprise interest expense on borrowings, which we calculate using the effective interest method, commitment fees, capitalised finance costs, interest income on funds invested, gains and losses on disposals of financial assets, gains and losses on hedging instruments and foreign exchange gains and losses.

12.5 Taxation

Income tax consists of current and deferred corporate income and trade tax. Income tax is recognised in our income statement except to the extent it relates to items recognised directly in equity in which case it is recognised as equity. As we generate revenue and recognise income throughout our network of foreign subsidiaries, we may recognise a different statutory tax rate than Germany, which is the jurisdiction of incorporation of the Company. As a result, our effective tax rate at the consolidated level can vary significantly from our statutory tax rate in Germany in any given taxable period.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

12.6 Results of Operations

The following table shows financial data taken from the Issuer's audited Combined Financial Statements regarding the Historical FY 2017, the Historical FY 2016 and the Historical FY 2015 as well as the unaudited interim financial statements for the three months ended 31 March 2018 and 31 March 2017.

<i>in T€</i>	Three months ended			Year ended	
	31 Mar. 2018	31 Mar. 2017	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenues.....	25,428	15,289	116,200	65,544	69,455
Other operating income.....	260	143	694	753	943
Cost of materials.....	-20,295	-11,056	-96,583	-48,768	-52,486
Personnel expenses ¹	-1,729	-1,447	-6,739	-5,895	-5,382
Depreciation and amortization on intangible fixed assets and tangible assets.....	-258	-235	-976	-752	-566

Other operating expenses...	-1,616	-1,251	-5,433	-5,085	-5,133
Finance income.....	0	0	31	40	0
Other interest and similar income	6	3	31	12	52
Finance costs.....	-1	-1	-8	-6	-5
Profit before Tax.....	1,795	1,445	7,217	5,843	6,878
Taxation.....	-541	-485	-2,241	-1,772	-2,048
Net profit.....	1,254	960	4,976	4,071	4,830
Net profit attributable to non-controlling interests	631	478	2,447	2,011	2,390
Net profit (attributable to shareholders of capsensixx AG)	623	482	2,529	2,060	2,440

¹“Personnel Expenses” comprise of “wages and salaries” and of “social security, pension and other benefits”.

12.6.1 Revenues

12.6.1.1 Comparison of three months ended 31 March 2018 and 31 March 2017

In the three months ended 31 March 2018, we generated revenues of €25.4 million or 66.3% over the revenue of €15.3 million generated in the three months ended 31 March 2017. This increase has been mainly driven by net inflow of assets under administration, the assumption new clients and positive market environment.

12.6.1.2 Comparison of the Historical FY 2017 and the Historical FY 2016

Our revenues increased by €50.7 million, or 77.4%, to €116.2 million in Historical FY 2017, from €65.5 million in Historical FY 2016. This change was mainly due to the net inflow of assets under administration, the assumption of the management function for (at that time) a €2.2 billion fund (Frankfurter Aktienfonds für Stiftungen) as new client and a positive capital markets environment.

12.6.1.3 Comparison of the Historical FY 2016 and the Historical FY 2015

Our revenues decreased by €3.9 million, or 5.6%, to €65,5 million in Historical FY 2016, from €69,5 million in Historical FY 2015. This change was mainly due to a low volatile market environment and decreasing performance fees accounted for our clients.

12.6.2 Other Operating Income and Other Operating Expenses

12.6.2.1 Comparison of three months ended 31 March 2018 and 31 March 2017

In the three months ended 31 March 2018, our other Operating Income increased by €0.12 million, or 81.8%, to €0.26 million in the three months ended 31 March 2018 from €0.14 million in the three months ended 31 March 2017

12.6.2.2 Comparison of the Years Ended 31 December 2017 and 31 December 2016

Our Other Operating Income decreased by €0.1 million, or 14.3%, to €0.6 million in Historical FY 2017, from €0.7 in Historical FY 2016.

Our Other Operating Expenses increased by €0.3 million, or 5.9%, to €5.4 million in Historical FY 2017, from €5.1 million in Historical FY 2016.

12.6.2.3 Comparison of the Years Ended 31 December 2016 and 31 December 2015

Our Other Operating Income decreased by €0.2 million, or 22.2%, to €0.7 million in Historical FY 2016, from €0.9 in Historical FY 2015. The Historical FY 2015 contained a higher refund (*Umlagerstattung*) within Axxion's profit and loss accounts.

Our Other Operating Expenses in Historical FY 2016 (€5.1 million) were nearly unchanged compared to Historical FY 2015 (€5.1 million).

12.6.3 Cost of Materials

12.6.3.1 Comparison of three months ended 31 March 2018 and 31 March 2017

Our cost of materials increased by €9.2 million, or 83.6%, to €20.3 million in the three months ended 31 March 2018 from € 11.1 million in three months ended 31 March 2017. This change was mainly due to a positive capital markets environment with an increasing proportion of management and performance fees accounted for our clients.

12.6.3.2 Comparison of the Historical FY 2017 and the Historical FY 2016

Our cost of materials increased by €47.8 million, or 98.0%, to €96.6 million in Historical FY 2017, from €48.8 million in Historical FY 2016. This change was mainly due to a positive capital markets environment with an increasing proportion of performance fees accounted for our clients and also due to the assumption of the management function for the Frankfurter Aktienfonds für Stiftungen.

12.6.3.3 Comparison of the Historical FY 2016 and the Historical FY 2015

Our cost of materials decreased by €3.7 million, or 7.1%, to €48.8 million in Historical FY 2016, from €52.5 million in Historical FY 2015. This change was mainly due to a low volatile market environment and decreasing performance fees accounted for our clients (-34.5%). 2016 major stock market indices traded at a very narrow bandwidth – most of the year in negative territory. If the volatility does not provide for an additional source of performance, this tends to reduce the performance fees paid to our clients.

12.6.4 Personnel Expenses

in T€	Three months ended			Year ended	
	31 Mar. 2018	31 Mar. 2017	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Wages and salaries	-1,367	-1,135	-5,331	-4,708	-4,399
Social security, pension and other benefits.....	-362	-312	-1,408	-1,187	-983
Personnel expenses.....	-1,729	-1,447	-6,739	-5,895	-5,382

12.6.4.1 Comparison of three months ended 31 March 2018 and 31 March 2017

Our personnel expenses increased by €0.3 million, or 19%, to €1.7 million in the three months ended 31 March 2018 from €1.4 million in three months ended 31 March 2017. This change resulted from a higher number of employees.

12.6.4.2 Comparison of the Historical FY 2017 and the Historical FY 2016

Our personnel expenses increased by €0.8 million, or 13.6%, to €6.7 million in Historical FY 2017, from €5.9 million in Historical FY 2016. This change resulted from a higher number of employees due to regulatory requirements and the increased assets under administration.

12.6.4.3 Comparison of the Historical FY 2016 and the Historical FY 2015

Our personnel expenses increased by €0.5 million, or 9.26%, to €5.9 million in Historical FY 2016, from €5.4 in Historical FY 2015. This change resulted from a higher number of employees due to regulatory requirements.

12.6.5 Finance Income, Other Interest and Similar Income and Finance Costs

The finance costs have been literally unchanged for the last 3 years.

12.6.5.1 Comparison of three months ended 31 March 2018 and 31 March 2017

Our finance income, other interest and similar income and finance costs was literally unchanged to €0.006 million in the three months ended 31 March 2018 from €0.003 million in three months ended 31 March 2017.

12.6.5.2 Comparison of the Years Ended 31 December 2017 and 31 December 2016

Our finance income decreased by €0.01 million, or 25.0%, to €0.03 million in Historical FY 2017, from €0.04 million in Historical FY 2016.

12.6.5.3 Comparison of the Years Ended 31 December 2016 and 31 December 2015

Our finance income decreased by €0.01 million, or 20.0%, to €0.04 million in Historical FY 2016, from €0.05 million in Historical FY 2015.

12.6.6 Profit Before Tax

12.6.6.1 Comparison of three months ended 31 March 2018 and 31 March 2017

Our profit before tax increased by €0.4 million, or 28.6%, to €1.8 million in the three months ended 31 March 2018 from €1.4 million in three months ended 31 March 2017. This performance has been mainly driven by increased revenue from existing clients through net inflows as well as new structures.

12.6.6.2 Comparison of the Years Ended 31 December 2017 and 31 December 2016

Our profit before tax increased by €1.4 million, or 24.1%, to €7.2 million in Historical FY 2017, from €5.8 million in Historical FY 2016. This change was mainly due to the net inflow of assets under administration, the assumption of the management function for the Frankfurter Aktienfonds für Stiftungen and a positive capital markets environment.

12.6.6.3 Comparison of the Years Ended 31 December 2016 and 31 December 2015

Our profit before tax decreased by €1 million, or 14.7%, to €5.8 million in Historical FY 2016, from €6.8 million in Historical FY 2015. This change was mainly due to an overall decrease of revenues and margin pressure on administrative services.

12.6.7 Net Profit

12.6.7.1 Comparison of three months ended 31 March 2018 and 31 March 2017

Our net profit increased by €0.3 million, or 30.0%, to €1.3 million in the three months ended 31 March 2018 from €1.0 million in three months ended 31 March 2017. This change was mainly due to the net inflow of assets under administration, the assumption of the management function for the Frankfurter Aktienfonds für Stiftungen and a positive capital markets environment.

12.6.7.2 Comparison of the Years Ended 31 December 2017 and 31 December 2016

Our net profit increased by €0.9 million, or 22.0%, to €5 million in Historical FY 2017, from €4.1 million in Historical FY 2016.

12.6.7.3 Comparison of the Years Ended 31 December 2016 and 31 December 2015

Our net profit decreased by €0.8 million, or 16.7%, to €4.1 million in Historical FY 2016, from €4.8 million in Historical FY 2015. This change was mainly due to an overall decrease of revenues and margin pressure on administrative services.

12.6.8 Net Profit (attributable to shareholders of capsensixx AG)

Our net profit (attributable to shareholders of capsensixx AG) is determined after the attribution of the profit after tax to the minority shareholders (non-controlling interests) of Axxion S.A. and Oaklet GmbH.

12.6.8.1 Comparison of three months ended 31 March 2018 and 31 March 2017

Our net profit (attributable to shareholders of capsensixx AG) increased by €0.1 million, or 20%, to €0.6 million in the three months ended 31 March 2018 from €0.5 million in three months ended 31 March 2017. This performance has been mainly driven by increased revenue from existing clients through net inflows as well as new structures.

12.6.8.2 Comparison of the Years Ended 31 December 2017 and 31 December 2016

Our net profit (attributable to shareholders of capsensixx AG) increased by €0.4 million or 19.05%, to €2.5 million in Historical FY 2017 from €2.1 million in Historical FY 2016. This change was mainly due to the net inflow of assets under administration, the assumption of the management function for the Frankfurter Aktienfonds für Stiftungen and a positive capital markets environment.

12.6.8.3 Comparison of the Years Ended 31 December 2016 and 31 December 2015

Our net profit (attributable to shareholders of capsensixx AG) decreased by €0.4 million or 12.5%, to €2.1 million in Historical FY 2016 from €2.4 million in Historical FY 2015. This change was mainly due to an overall decrease of revenues and margin pressure on administrative services.

12.7 Segment Discussion

The Group has two operating segments: Fund Administration & Accounting (together “**Fund Admin**”) and Capital Markets & Corporate Services (together “**Securitisation**”).

The following table shows shows financial data taken from the Issuer’s unaudited interim financial statements as of and for the three months ended 31 March 2018 and 31 March 2017:

<i>in T€</i>	Fund Admin		Securitisation	
	Three months ended 31 Mar. 2018		Three months ended 31 Mar. 2017	
	<i>(unaudited)</i>		<i>(unaudited)</i>	
Segment income				
Revenues.....	24,724	704	14,797	491
Other operating income	154	106	123	21
Segment expenses.....				
Cost of materials.....	-20,295	0	-11,044	-12
Personnel expenses.....	-1,343	-386	-1,170	-277
Depreciation (excluding goodwill).....	-253	-5	-231	-4
Other operating expenses	-1,385	-213	-1,104	-147
Other interest and similar income.....	0	6	0	3
Interest and similar expenses.....	-1	0	-1	0
Finance income.....	0	0	0	0
Segment result (Profit before tax).....	1,601	212	1,370	75
Segment assets.....	19,459	3,219	14,796	2,518
Segment liabilities.....	9,132	339	91	5,890

The following table shows financial data taken from the Issuer's audited combined financial statements as of and for the years ended 31 December 2017, 31 December 2016 as well as 31 December 2015:

<i>in T€</i>	Fund Admin		Securitisation		Fund Admin		Securitisation	
	2017		2016		2015			
	<i>(audited)</i>		<i>(audited)</i>		<i>(audited)</i>			
Segment income								
Revenues.....	112,651	3,549	63,024	2,520	66,862	2,593		

Other operating income.....	648	46	674	79	896	47
Segment expenses.....						
Cost of materials.....	-96,533	-50	-48,559	-209	-52,431	-55
Personnel expenses.....	-5,412	-1,327	-4,794	-1,102	-4,394	-988
Depreciation (excluding goodwill).....	-951	-25	-735	-17	-556	-10
Other operating expenses.....	-4,808	-625	-4,674	-411	-4,485	-648
Other interest and similar income.....	11	20	2	10	1	51
Interest and similar expenses	-8	0	-6	0	-4	-1
Finance Income	0	31	0	40		
Segment result (Profit before tax).....	5,598	1,619	4,933	910	5,889	989
Segment assets	52,946	3,821	21,927	2,775	22,587	3,193
Segment liabilities.....	43,854	1,019	14,020	444	14,973	640

12.7.1 Revenues

12.7.1.1 Fund Admin

In the three months ended 31 March 2018, we generated revenues of € 24.7 million or 67.1% more than the revenue of € 14.8 million generated in the three months ended 31 March 2017. This increase has been mainly driven by net inflow of assets under administration, the assumption of new clients and a positive market environment.

The revenues increased by €50 million, or 79.4%, to €113 million in Historical FY 2017, from €63 million in Historical FY 2016. This change was mainly due to the net inflow of assets under administration, the assumption of the management function for (at that time) a €2.2 billion fund (Frankfurter Aktienfonds für Stiftungen) as new client and a positive capital markets environment. The revenues decreased by €3.9 million in Historical FY 2016, or 5.8%, to €63 million in Historical FY 2016, from €66.9 million in Historical FY 2015.

12.7.1.2 Securitisation

In the three months ended 31 March 2018, we generated revenues of €0.7 million or 43.4% more than the revenue of €0.5 million generated in the three months ended 31 March 2017. This increase has been mainly driven by net inflow of assets under administration and a positive market environment.

The revenues increased by €1.2 million, or 48.0%, to €3.7 million in Historical FY 2017, from €2.5 million in Historical FY 2016. The main reason for that increase was a strong increase of the issuance activity in 2017, mainly due to a shift into alternative investments of institutional clients. The revenues decreased by €0.1

million in Historical FY 2016, or 3.9%, to €2.5 million in Historical FY 2016, from € 2.6 million in Historical FY 2015.

12.7.2 Other Operating Income and Other Operating Expenses

12.7.2.1 Fund Admin

In the three months ended 31 March 2018, our other Operating Income increased by €0.03 million, or 25.2%, to €0.15 million in the three months ended 31 March 2018 from €0.12 million in the three months ended 31 March 2017.

In the three months ended 31 March 2018, our other Operating Expenses increased by €0.3 million, or 25.5%, to €1.4 million in the three months ended 31 March 2018 from €1.1 million in the three months ended 31 March 2017.

The Other Operating Income was literally unchanged for Historical FY 2017 and Historical FY 2016. The Other Operating Income decreased by €0.2 million in Historical FY 2016, or 22.2%, to €0.7 million in Historical FY 2016, from €0.9 million in Historical FY 2015.

The Other Operating Expenses increased by €0.1 million in Historical FY 2017, or 2.1%, to €4.8 million in Historical FY 2017, from €4.7 million in Historical FY 2016. The Other Operating Expenses increased by €0.2 million in Historical FY 2016, or 4.4%, to €4.7 million in Historical FY 2016, from €4.5 million in Historical FY 2015.

12.7.2.2 Securitisation

In the three months ended 31 March 2018, our other Operating Income increased by €0.08 million to € 0.1 million in the three months ended 31 March 2018 from €0.02 million in the three months ended 31 March 2017.

In the three months ended 31 March 2018, our other Operating Expenses increased by € 0.05 million, or 33.3%, to €0.2 million in the three months ended 31 March 2018 from €0.15 million in the three months ended 31 March 2017.

The Other Operating Income was literally unchanged for Historical FY 2017 (€0.04 million), Historical FY 2016 (€0.08 million) and Historical FY 2015 (€0.05 million).

The Other Operating Expenses increased by €0.4 million in Historical FY 2017, or 100.0%, to €0.8 million in Historical FY 2017, from €0.4 million in Historical FY 2016. The Other Operating Income decreased by €0.25 million in Historical FY 2016, or 38.5%, to €0.4 million in Historical FY 2016, from €0.65 million in Historical FY 2015.

12.7.3 Cost of Materials

12.7.3.1 Fund Admin

In the three months ended 31 March 2018, our costs of materials increased by €9.3 million, or 83.8%, to €20.3 million in the three months ended 31 March 2018 from €11 million in the three months ended 31 March 2017.

The cost of materials increased by €48 million, or 98.8%, to €96.6 million in Historical FY 2017, from €48.6 million in Historical FY 2016. This change was mainly due to a positive capital markets environment with an increasing proportion of performance fees accounted for our clients and also due to the assumption of the management function for the Frankfurter Aktienfonds für Stiftungen. The cost of materials decreased by €3.9 million, or 7.4%, to €48.6 million in Historical FY 2016, from €52.4 million in Historical FY 2015.

12.7.3.2 Securitisation

In the three months ended 31 March 2018, our Costs of Material was literally unchanged to €0 million in the three months ended 31 March 2018 from €0.01 million in the three months ended 31 March 2017.

The cost of materials decreased by €0.2 million, or 76.2%, to €0.05 million in Historical FY 2017, from €0.21 million in Historical FY 2016. The cost of materials increased by €0.16 million to €0.21 million in Historical FY 2016, from €0.05 million in Historical FY 2015.

12.7.4 Personnel Expenses

12.7.4.1 Fund Admin

In the three months ended 31 March 2018, our Personnel Expenses increased by €0.1 million, or 8.3%, to € 1.3 million in the three months ended 31 March 2018 from €1.2 million in the three months ended 31 March 2017.

The Personnel Expenses increased by €0.6 million, or 12.5%, to €5.4 million in Historical FY 2017, from €4.8 million in Historical FY 2016. The Personnel Expenses increased by €0.4 million, or 9.1%, to €4.8 million in Historical FY 2016, from €4.4 million in Historical FY 2015.

12.7.4.2 Securitisation

In the three months ended 31 March 2018, our Personnel Expenses increased by € 0.1 million, or 33.3%, to € 0.4 million in the three months ended 31 March 2018 from €0.3 million in the three months ended 31 March 2017.

The Personnel Expenses increased by €0.2 million, or 18.2%, to €1.3 million in Historical FY 2017, from €1.1 million in Historical FY 2016. The Personnel Expenses increased by €0.1 million, or 10.00%, to €1.1 million in Historical FY 2016, from €1 million in Historical FY 2015.

12.7.5 Other interest and similar income, Interest and similar expenses and Finance income

Our Other interest and similar income, Interest and similar expenses and our Finance income was literally unchanged in the three months ended 31 March 2018.

Our Other interest and similar income, Interest and similar expenses and our Finance income was literally unchanged for the last 3 years in both segments.

12.7.6 Segment Result (Profit Before Tax)

12.7.6.1 Fund Admin

Our segment result (profit before tax) increased by €0.2 million, or 16.9%, to € 1.6 million in the three months ended 31 March 2018 from €1.4 million in three months ended 31 March 2017. This performance has been mainly driven by increased revenues from existing clients through net inflows as well as new structures.

The segment result (profit before tax) increased by €0.7 million, or 14.3%, to €5.6 million in Historical FY 2017, from €4.9 million in Historical FY 2016. This change was due to the net inflow of assets under administration, the assumption of the management function for the Frankfurter Aktienfonds für Stiftungen as new client and a positive capital markets environment. The segment result decreased by €1 million, or 17.0%, to €4.9 million in Historical FY 2016, from €5.9 million in Historical FY 2015.

12.7.6.2 Securitisation

Our segment result (profit before tax) increased by €0.14 million, or 183.7%, to €0.21 million in the three months ended 31 March 2018 from €0.07 million in three months ended 31 March 2017. This performance

has been mainly driven by increased revenues from existing clients through net inflows as well as new structures

The segment result (profit before tax) increased by €0.7 million, or 77.8%, to €1.6 million in Historical FY 2017, from €0.9 million in Historical FY 2016 due to an increase of issuance activity in 2017, mainly driven by a shift into alternative investments of institutional clients. The segment result decreased by €0.1 million, or 10.0%, to €0.9 million in Historical FY 2016, from €1 million in Historical FY 2015. The decrease of the segment result was mainly due to higher personnel expenses accompanied by stagnating revenues based on the general market environment.

12.8 Assets

The following table provides an overview of our assets as of the dates shown:

<i>in T€</i>	31 Mar. 2018	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Total non-current assets	3,820	3,488	3,956	2,843
Total current assets	19,599	53,622	21,153	23,780

12.8.1 Total Non-Current Assets

12.8.1.1 Comparison as of 31 March 2018 and 31 December 2017

The total non-current assets increased by €0.3 million, or 9.5%, to €3.8 million as of 31 March 2018 from €3.5 million as of in 31 December 2017.

12.8.1.2 Comparison as of 31 December 2017 and 31 December 2016

The total non-current assets decreased by €0.5 million, or 12.5%, to €3.5 million in Historical FY 2017, from €3.1 million in Historical FY 2016. This decrease was mainly due to a depreciation of licenses.

12.8.1.3 Comparison as of 31 December 2016 and 31 December 2015

The total non-current assets increased by €1.2 million, or 42.86%, to €4 million in Historical FY 2016, from €2.8 million in Historical FY 2015. This increase was mainly due to a purchase of software licenses.

12.8.2 Total Current Assets

12.8.2.1 Comparison as of 31 March 2018 and 31 December 2017

The total current assets decreased by €34 million, or 63.5%, to €19.6 million as of 31 March 2018 from €53.6 million as of in 31 December 2017. This decrease is mainly due to a decrease of accounts receivables for performance fees.

12.8.2.2 Comparison as of 31 December 2017 and 31 December 2016

The total current assets increased by €32.4 million, or 152.8%, to €54.2 million in Historical FY 2017, from €21.2 million in Historical FY 2016. This increase was mainly due to the significant increase of accounts receivable for performance fees, which was mainly caused by the assumption of the administration of a €2.2 billion fund (Frankfurter Aktienfonds für Stiftungen) in October 2017.

12.8.2.3 Comparison as of 31 December 2016 and 31 December 2015

12.8.2.4 The total current assets decreased by €2.6 million, or 10.9%, to €21.2 million in Historical FY 2016, from €23.8 million in Historical FY 2015. This decrease was mainly due to decreased performance fees.

12.9 Liabilities

The following table provides an overview of our liabilities as of the dates shown:

<i>in T€</i>	31 Mar. 2018	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Non-current liabilities	160	215	223	186
Current liabilities	9,980	45,314	14,974	16,212

12.9.1 Non-current liabilities

12.9.1.1 Comparison as of 31 March 2018 and 31 December 2017

Non-current liabilities were reduced to T€160 as of 31 March 2018 compared to T€215 as of 31 December 2017 which was mainly due to a decrease of long-term liabilities by T€40.

12.9.1.2 Comparison as of 31 December 2017 and 31 December 2016

Non-current liabilities remained literally unchanged as of 31 December 2017 (T€215) compared to 31 December 2016 (T€223).

12.9.1.3 Comparison as of 31 December 2016 and 31 December 2015

Non-current liabilities were slightly increased to T€223 as of 31 December 2016 compared to T€186 as of 31 December 2015 which was mainly due to an increase of deferred tax liabilities.

12.9.2 Current Liabilities

12.9.2.1 Comparison as of 31 March 2018 and 31 December 2017

The current liabilities decreased by €35.3 million, or 78%, to €10 million as of 31 March 2018 from € 45.3 million as of in 31 December 2017. This decrease is mainly due to a decrease of performance fees owed to our clients.

12.9.2.2 Comparison as of 31 December 2017 and 31 December 2016

The current liabilities increased by €30.5 million, or 214.79%, to €44.7 million in Historical FY 2017, from €14.2 million in Historical FY 2016. This increase was mainly due to increased performance fees.

12.9.2.3 Comparison as of 31 December 2016 and 31 December 2015

The current liabilities decreased by €1.1 million, to €14.2 million in Historical FY 2016, from €15.3 million in Historical FY 2015. This decrease was mainly due to decreased performance fees.

12.10 Equity

The following table provides an overview of our equity as of the dates shown:

<i>in T€</i>	31 Mar. 2018	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Subscribed capital.....	100	100	100	100
Retained earnings.....	4,460	83	42	53
Profit carried forward	0	192	-138	-343
Net profit.....	623	2,529	2,060	2,440
Equity compensation item		2,670	2,670	2,670
Retained adjusted consideration.....		360	360	360
Other equity components.....	1,789			
Equity excluding non-controlling interests	6,973	5,934	5,094	5,280

12.10.1 Comparison as of 31 March 2018 and 31 December 2017

Our equity excluding non-controlling interests increased by €1.1 million, or 17.5%, to €7 million as of 31 March 2018 from €5.9 million as of 31 December 2017 due to the increase of net profit (attributable to shareholders of capsensixx AG) generated in the period. The retained earnings increased by €4.4 million as of 31 March 2018 (compared to €0.1 million as of 31 December 2017) as an effect of the first time consolidation of Axxion S.A. and Oaklet GmbH and the transfer of current and non-current assets, current and non-current liabilities and the retained earnings of both entities at their carrying amount as accounted at PEH Wertpapier AG (predecessor accounting).

As of 31 March 2018 other equity components of T€1,789 were accounted for and include the amount of the capital contribution, as the contribution in kind has not been registered before the balance sheet date (T€ 3,000), the consolidation items (T€ -1,061) resulting from consolidation procedures applying the predecessor accounting, and the expenses relating to the issuance of New Shares and the admission to trading on the Frankfurt Stock Exchange (T€ -150) that have to be recorded in equity.

12.10.2 Comparison as of 31 December 2017 and 31 December 2016

Our equity excluding non-controlling interests increased by €0.8 million, or 15.7%, to €5.9 million in Historical FY 2017, from €5.1 million in Historical FY 2016 due to the increase of net profit (attributable to shareholders of capsensixx AG) generated in Historical FY 2017.

12.10.3 Comparison as of 31 December 2016 and 31 December 2015

Our equity excluding non-controlling interests decreased by €0.2 million, to €5.1 million in Historical FY 2016, from €5.3 million in Historical FY 2015 primarily due to a decrease of net profit (attributable to shareholders of capsensixx AG) in the Historical FY 2016.

12.11 Liquidity and Capital Resources

Our principal source of liquidity is cash-flows from operating activities. Our principal liquidity requirements are for working capital and for general corporate use.

Our working capital is composed of work-in-progress (which represents the gross unbilled amount expected to be collected from clients from administrative work performed to date) and receivables.

The objective of the liquidity management in all our subsidiaries is to ensure to maintain a healthy debt ratio in order to support our business and fulfil our obligations to our creditors.

In April 2018, our majority shareholder PEH Wertpapier AG granted us a short term credit facility in an amount of €500,000 at an interest rate of 6-months-Euribor +0.75% p.a., of which €250,000 has been drawn by us which are still outstanding.

12.11.1 Cash-Flows

The following table provides an overview of our cash-flows as of the dates shown:

<i>in T€</i>	Three months ended		Year ended		
	31 Mar. 2018	31 Mar. 2017	31 Dec. 2017	31 Dec. 2016	31 Dec. 2015
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Cash-flow from operating activities	1,417	448	5,232	3,141	5,946
Cash-flow from investing activities	-85	-241	-684	-1,827	-1,286
Cash-flow from financing activities	0	0	-3,385	-4,366	-3,496
Funds at end of period	6,293	4,005	4,961	3,798	6,850

12.11.2 Cash-flow from Operating Activities

Cash-flow from activities provided by operating activities consists of net profit (including non-controlling interests of minority shareholders), as adjusted for the cash impacts of depreciation of non-current assets, interests paid and received, dividends received, taxes paid and changes in debtors and creditors.

12.11.2.1 Comparison of three months ended 31 March 2018 and 31 March 2017

The cash-flow from operating activities increased by €1 million, or 216%, to €1.4 million in the three months ended 31 March 2018 from € 0.4 million in three months ended 31 March 2017 due to the increase in income generated.

12.11.2.2 Comparison of the Years Ended 31 December 2017 and 31 December 2016

Cash-flow from operating activities increased by €2.1 million to an inflow of €5.2 million in Historical FY 2017, mainly due to higher net profit compared to Historical FY 2016.

12.11.2.3 Comparison of the Years Ended 31 December 2016 and 31 December 2015

Cash flow from operating activities decreased by €2.8 million to an inflow of €3.1 million in Historical FY 2016, mainly due to lower net profit compared to Historical FY 2015.

12.11.3 Cash-flow from Financing Activities

Net cash-flow from financing activities mainly consists of dividends paid to shareholders and non-controlling interests of minority shareholders in our subsidiaries Axxion S.A. and Oaklet GmbH..

12.11.3.1 Comparison of three months ended 31 March 2018 and 31 March 2017

The cash-flow from financing activities was the same at €0 as of 31 March 2018 and 31 March 2017.

12.11.3.2 Comparison of the Years Ended 31 December 2017 and 31 December 2016

Net cash-flows from financing activities decreased by €1 million to an outflow of €3.4 million in Historical FY 2017, due to lower dividends paid compared to Historical FY 2016.

12.11.3.3 Comparison of the Years Ended 31 December 2016 and 31 December 2015

Net cash-flows from financing activities decreased by €0.1 million to an outflow of €3.9 million in Historical FY 2016, due to lower dividends paid compared to Historical FY 2015.

12.11.4 Funds at End of Period

12.11.4.1 Comparison of three months ended 31 March 2018 and 31 March 2017

The funds at end of period increased by € 2.3 million, or 57.1%, to €6.3 million in the three months ended 31 March 2018 from €4 million in three months ended 31 March 2017. The increase is mainly due to the higher income generated

12.11.4.2 Comparison of the Years Ended 31 December 2017 and 31 December 2016

Funds at end of period standing to our accounts increased by €1.2 million, or 30.6%, to a balance of €5 million in Historical FY 2017, from €3.8 million in Historical FY 2016.

12.11.4.3 Comparison of the Years Ended 31 December 2016 and 31 December 2015

Funds at end of period standing to our accounts decreased by €3.1 million, or 44.9%, to a balance of €3.8 million in Historical FY 2017, from €6.9 million in Historical FY 2016.

12.11.5 Capital Expenditure

We define capital expenditure not related to acquisitions as investments in property, plant, equipment and software. We generally have low levels of capital expenditure unrelated to acquisitions as our business is capital light, which in turn results in limited related depreciation.

12.11.5.1 Major Capital Expenditure in 2015, 2016 and 2017

Major capital expenditure is Software and Software related rights, licenses, equipment and IT-infrastructure. We do not hold any property or plant.

12.11.5.2 Capital Expenditure since 31 December 2017 and Major Ongoing Capital Expenditure

There have not been material changes to the Historical FY 2017 capital expenditures.

12.11.5.3 Future Capital Expenditure and Planned Capital Expenditure for 2018 and 2019

Due to our investing in coraixx GmbH & Co. KGaA and its "Software-as-a-Services" provider, we expect the capital expenditures to increase significantly (potentially more than double) beginning in the third quarter of 2018. The business plannings involve a major proportion of the investment to be taken for further research & development activities and to create further licenses within coraixx's business.

12.12 Contingencies and Commitments

There are no contingencies and commitments outstanding to the Historical FY 2017 and no material changes applied since them.

12.13 Quantitative and Qualitative Disclosure of Market and Other Risks / Financial Risk Management

12.13.1 Overview

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

12.13.2 Framework

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

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

The Group entities prepare and discuss periodical risk reports in local risk committees. These reports are also submitted to our Head of Internal Audit who is responsible for preparing a yearly consolidated report for the Management Board.

We have adopted a ‘three lines of defence’ model to manage our risk:

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

Our Supervisory Board, in particular the audit and risk committee of our Supervisory Board, supervises our risk management framework.

12.13.3 Credit Risk

Credit risk is the risk that a counterpart will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk primarily from trade receivables and cash at banks. Customer credit risk very limited only, as our customers are either segregated funds or segregated accounts. Customer credit risk is managed by each of our entities subject to our policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are monitored and followed up continuously. We make provisions when there is objective evidence that we will not be able to collect the debts (for example if there is an indication that the debtor is experiencing significant financial difficulty or

default, probability of bankruptcy, problems to contact the clients, disputes with a customer, etc.). Analysis is done on a case-by-case basis in line with policies. We write off bad debts when identified.

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

12.13.4 Liquidity Risk

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

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

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

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

12.13.5 Market Risk

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

12.13.6 Currency Risk

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

12.14 Critical Accounting Policies

Except as otherwise indicated, our financial information included in this Prospectus has been prepared and presented in accordance with IFRS. See "General Information - Presentation of Financial and Other Information" and the notes to the Interim Financial Statements and the Combined Financial Statements contained in this Prospectus. In particular, see Section B "General Information on the Combined Financial Statements" and C "Summary of significant accounting policies" in our Combined Financial Statements, (see page F-37 et seqq.) and see Section B "General Information on the Interim Financial Statements" and C "Accounting and Valuation Methods" in our Interim Financial Statements (see page F-3 et seqq.).

The preparation of financial statements requires our management to make a number of estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, of revenues and expenses and the disclosure of contingent assets and liabilities. All assumptions, expectations and forecasts used as a basis for certain estimates within our financial statements represent good faith assessments of our future performance for which our management believes there is a reasonable basis.

These estimates and assumptions represent our view at the times they are made, and only then. They involve risks, uncertainties and other factors that could cause our actual future results, performance and achievements to differ materially from those forecasted. The estimates and assumptions that may have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described

below. We have discussed the development and selection of these significant accounting policies and estimates with our independent auditors.

12.14.1 Revenues

We recognise revenues to the extent that it is probable that the economic benefits will flow to us and the revenue can be reliably measured. Revenues are measured at fair value of the consideration received or receivable, excluding discounts, rebates and sales taxes or duty. Revenues comprise fund administration, fund accounting, capital markets, corporate services, digitization and IT-services.

In context of an adoption of IFRS 15 as of 1 January 2018 we emphasise that revenue from provision of services are recognised over time as the customer simultaneously receives and consumes the benefit provided by the performance of the Group. The income from these services mostly depend on a fixed percentage of the assets under administration or there is a fixed fee, payable on a monthly or quarterly basis, after provision of services. The Group recognises the income from these kind of services as soon as they are fully provided.

Contractual agreements with customers might also include a variable fees for ongoing services. Those fees are paid additionally to the permanent remunerations. They depend on the absolute or the relative performance of the assets under management. Those performance fees are recognised as revenue if the conditions set out in the agreements are fulfilled and the Group's claim on those fees arose. The Group records these kind a fees as adjustments to the revenues agreed. It is not possible to estimate the likelihood the claims of such performance fees based on the Group's past experience

12.14.2 Intangible Assets

12.14.2.1 Goodwill and Business Combinations

We account for business combinations using the acquisition method as at the acquisition date, which is the date in which control is transferred to us. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit and loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised as profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of the impairment test, the goodwill acquired as part of a business combination is allocated from the acquisition date to the Group's cash-generating units, which are expected to benefit from the business combination.

12.14.2.2 Other Intangible Assets

Intangible assets that are acquired separately by us and have a finite useful live and are measured at cost less accumulated amortisation and accumulated impairment losses. We do not have intangible assets with indefinite useful lives.

12.14.3 Foreign Currency

We do not own or control any foreign operations at the date of this prospectus. Foreign currency translation result from transactions relating to assets and liabilities in foreign currencies. Foreign currency conversion is performed at date of transaction. The monetary items (cash and cash equivalents, receivables and liabilities)

are measured at the closing rate at the balance sheet date. Currency translation differences are recognized in the profit and loss statement.

12.14.4 Financial assets and liabilities

12.14.4.1 Financial assets and liabilities accounted in the combined financial statements

Financial assets and liabilities are accounted according to IAS 39 in the historical period. According to IAS 39 Financial assets are initially classified either as financial assets at fair value through profit or loss, as loans and receivables, as held-to-maturity investments, as available-for-sale financial assets. All financial assets are initially measured at fair value. Group has categorized all its financial assets as loans and receivables and as Available-for-sale financial assets.

The category "loans and receivables" has the greatest significance for the consolidated financial statements. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After their initial recognition, these financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

Available-for-sale financial assets include equity instruments and debt securities. Available-for-sale financial assets in the following periods are measured at fair value. Unrealized gains or losses are recorded as other income in the reserve for available-for-sale financial assets. If such an asset is de-recognized the cumulative profit or loss is reclassified in other operating income. If an asset is impaired, the cumulative loss gets reclassified in financial expenses profit or loss and derecognized from the reserve for available-for-sale financial assets. Interest received is designated as interest income from available-for-sale financial assets using the effective interest method.

Financial liabilities are initially classified as financial liabilities at fair value through profit or loss, as loans or as liabilities. All financial liabilities are measured at fair value upon initial recognition, and in the case of loans and liabilities less directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and loans, including overdrafts.

12.14.4.2 Financial assets and liabilities accounted in the interim financial statements

The Group has applied IFRS 9 prospectively with an initial application date of 1 January 2018. Compared to the predecessor standard IAS 39 Financial instruments: recognition and measurement the requirements of IFRS 9 on the scope and the recognition and de-recognition are mainly unchanged. However, the rules of IFRS 9 compared to IAS 39 implement a new classification model for financial assets. The subsequent measurement of financial assets is being linked to three categories with different valuations and different recognitions of changes in value. The categorization depends on both, the contractual cash flows of the instruments as well as the business model, at which the instrument is held. According to the characteristics of these conditions the valuation is at amortized costs, using the effective interest method, the fair value, whereby changes are recognized in other income, or the fair value where changes are recognized as income.

Under IFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). Group has applied the new classification and assessment rules as follows: Group's debt instruments at FVPL, with gains or losses are recycled to profit or loss on de-recognition. Financial assets in this category are the Group's quoted debt instruments that do not meet the SPPI criterion and are held within a business model both to collect cash flows and to sell. Under IAS 39, the Group's quoted debt instruments were classified as available-for-sale (AFS) financial assets. Upon transition the AFS reserve relating to quoted equity securities, which had been previously recognised under accumulated OCI, was reclassified to Retained earnings. Financial assets at FVOCI comprise instruments whose cash flow characteristics either fail the SPPI criterion or meet the SPPI criterion, but a look through to the underlying

investments is not possible. Under IAS 39, the Group's quoted equity securities were classified as AFS financial assets.

IFRS 9 implements approach. The Group is expected to apply the simplified impairment model on the financial assets and liabilities, due to which all instruments regardless of their credit-quality a risk provision in the amount of expected losses is to be captured for the remaining term. The applied impairment model does not have a material impact on the financial positions, its profit or loss or on its other comprehensive income. Main portion of Group's financial assets and liabilities are due within one year.

Financial liabilities are accounted for, as under IAS 39.

12.14.5 Income Tax

Income tax comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

12.14.5.1 Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

12.14.5.2 Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that such temporary differences will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

12.14.6 Significant Additional Information on the Preparation of the Interim Financial Statements and the Combined Financial Statements regarding Accounting and Valuation Methods and the Use of Estimates and Judgments

12.14.6.1 Interim Financial Statements

The interim financial statements of capsensixx AG, were prepared according to IFRS and consists consist of

- an interim combined profit and loss statement,
- an interim combined statement of comprehensive income,
- an interim consolidated balance sheet
- an interim consolidated statement of changes in equity,
- an interim combined statement of cash flows, and
- the notes to the interim financial statements.

On 28 March 2018 capsensixx obtained control of the shares of Axxion and Oaklet. Upon change of control capsensixx and its subsidiaries Axxion and Oaklet form a Group within the meaning on IFRS 10 and fulfill the requirements for the preparation of Consolidated Financial Statements. First time consolidation was performed as of 28 March 2018. The balance sheet and the statement of changes in equity as of 31 March 2018 represent the consolidated financial information. Before 28 March 2018, capsensixx Group was not a group within the meaning of IFRS 10. The interim financial information relating to the period from 1 January 2018 to 31 March 2018 such as the interim profit and loss statement, interim statement of comprehensive income and the statements of cash flows and the notes have been prepared by combining the IFRS financial statements of Axxion, Oaklet and capsensixx AG.

The unaudited interim financial statements for the period from 1 January 2018 to 31 March 2018, which are incorporated into this prospectus in F-3 et seqq., contain the notes to the interim financial statements and a detailed description of the preparation within its section B “General information on the interim financial statements” and of the accounting and valuation methods within its section C „Accounting and valuation methods“.

12.14.6.2 Combined Financial Statements

The combined financial statements of capsensixx AG, were prepared according to IFRS and consist of

- a combined balance sheet
- combined profit and loss statements,
- combined statement of comprehensive income,
- combined change of equity statements,
- a combined statement of cash flows,
- a combined segment reporting, and
- the combined notes to the statements for the respective fiscal years.

The audited combined financial statements for the FY 2017, 2016 and 2015, which is incorporated into this prospectus in F-37 et seqq., contain the notes to the combined financial statements and a detailed description of the preparation within its section B “General information on the combined financial statements” and of the

accounting and valuation methods within its section C „Summary of significant accounting policies“. The aforementioned section C also provides a description of the use of estimates and assumptions.

12.15 New Accounting Pronouncements

We have listed the IFRS, which had to be applied in 2017 for the first time as well as the ones, which were initiated but which are not mandatory to use yet in the notes of the combined financial statements.

12.16 Information from the Audited Annual Financial Statements prepared in accordance with the German generally accepted accounting principles of the German Commercial Code (*Handelsgesetzbuch*) as of and for the year ended 31 December 2017

Some information from the audited unconsolidated financial statements of the Issuer prepared in accordance with the German generally accepted accounting principles of the German Commercial Code (*Handelsgesetzbuch*) as of and for the year ended 31 December 2017 is presented below. Such financial statements are included on pages F-92 et seqq. in the financial section.

The Issuer was founded on 10 November 2017 and for the first time registered with the commercial register of the local court in Frankfurt on 28 November 2017. The Issuer did not pursue any business activities in the stub period (*Rumpfgeschäftsjahr*) commencing on 10 November 2017 and ending on 31 December 2017. In the year ended 31 December 2017, the Issuer's revenue was EUR 0.

The Issuer's net loss for the year was EUR 1,977 in 2017.

The Issuer's subscribed capital on 31 December 2017 was EUR 100,000.

13. BUSINESS DESCRIPTION

13.1 Overview

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

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

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

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

13.2 Our Industry and Competitive Landscape

13.2.1 *The Funds, Administration and Corporate Services Market*

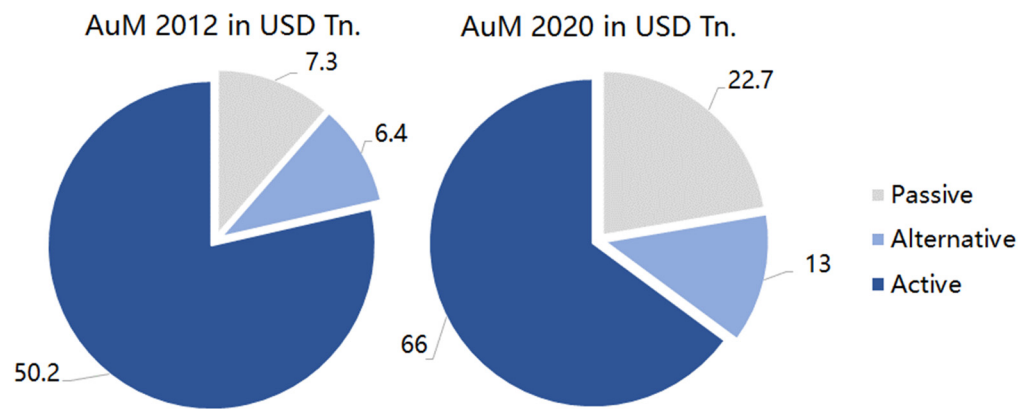
The financial industry has been in a period of upheaval globally since the Financial Crisis. Today’s fund, investment and asset management industries have remained fundamentally the same since the last decade of the 20th Century; over the next ten years they are expected to be substantially reinvented. It is anticipated that there will be major changes to regulation, fees, technology, products, distribution and people skills.

Global

Assets under management (AuM) will continue to grow rapidly. PWC estimated in its 2017 industries report “Asset & Wealth Management Revolution” that by 2025 AuM will on a global basis have almost doubled – rising from US\$84.9 trillion in 2016 to US\$145.4 trillion in 2025.

In 2014 PWC published its “Asset Management 2020 – A Brave New World” report estimating the volume of passive products to rise to USD 22.7 trillion by 2020. Compared to 2012 this would be an average growth of 7.4% p.a. Actively-managed funds are expected to grow by 3.5% p.a. to USD 66.0 trillion.

The following chart shows the estimated development of different asset classes between 2012 and 2020 – both absolute and proportional:



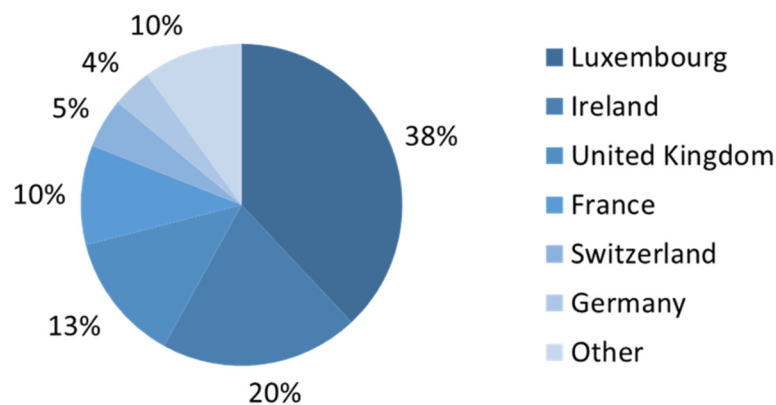
Source: PWC Asset Management 2020: A Brave New World

Luxembourg:

Luxembourg is the number one investment fund center in Europe and number two in the world after the US. As of 31 March 2018, in Luxembourg more than 14,700 investment fund units (including sub-funds of traditional umbrella funds) were managed (source: UCITS Statistics, CSSF 2018). The first Luxembourg fund was established in 1959.

The following diagram displays Luxembourg’s dominating position for UCITS-domiciliation within Europe as of 31 December 2017:

The UCITS market - geographical breakdown of nationally domiciled funds



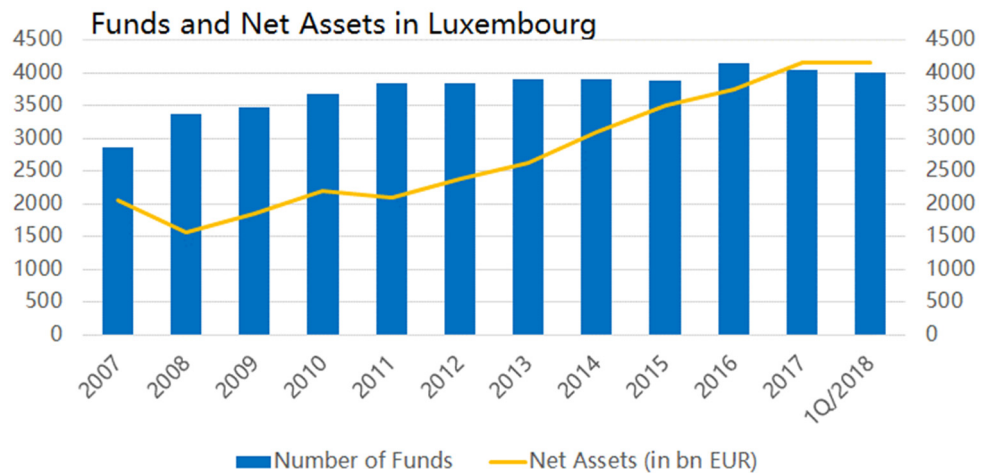
Source: EFAMA Quarterly Statistical Release N°72 (Fourth quarter of 2017)

“UCITS” means Undertakings for Collective Investment in Transferable Securities. UCITS are investment funds, regulated at a European Union (EU) level. In creating a set of common rules and regulations it allows such funds (a) to seek a single authorisation in one EU member state, and (b) to register for sale and market across EU member states.

The volume of net assets in Luxembourg has risen significantly during the past years to an amount of EUR 4.2 trillion in 2017 (source: UCITS Statistics, CSSF 2018), which means a yearly increase of 7.3% since 2007.

The main reason for the growth in AuM was new money invested into Luxembourg funds. UCITS saw the bulk of investments but alternative strategies such as private equity and real estate saw growing interest from investors, too. The remaining increase in assets under management in Luxembourg funds during the year was a result of the impact of global financial markets.

The following chart shows the number of funds in Luxembourg and their total net assets (in EUR billion):

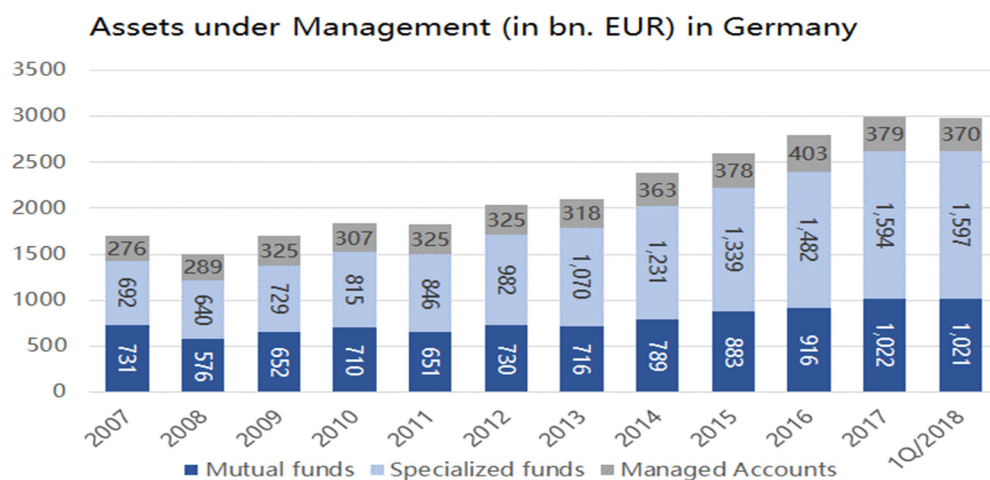


Source: www.cssf.lu – UCITS Statistics „Development of net assets and number of UCIs“ (as of 31 March 2018)

Germany

The growth in Germany in the past decade was mainly due to special funds, which grew at an average of 8.7% p.a. between 2007 and 2017. The volume of mutual funds increased on average 3.4% p.a. and mandates outside of investment funds rose 3.2% p.a. over the same period (BVI).

The following chart shows the assets under management in Germany (in EUR billion) with a split between assets held by mutual funds (open-ended retail funds, *offene Publikumsfonds*), specialized funds (open-ended special funds for institutional investors, *Spezialfonds*) and managed accounts (mandates outside of investment funds, *freie Mandate*):



Source: www.bvi.de/statistik/ - Figures from the German investment market (as of 31 March 2018)

13.2.2 The Capital Markets & Corporate Services market

Investors have increasingly turned to alternative investments as a means to improve performance and diversify their portfolios.

Global

According to Preqin's Investor Outlook: Alternative Assets, H1 2017, the global alternative investment industry currently represents a total of US\$7.7 trillion invested in hedge funds and private capital assets, having grown US\$300 billion in 2016. Within alternative investments, managers are moving beyond hedge funds, into private equity, real estate, infrastructure, private debt and natural resources.

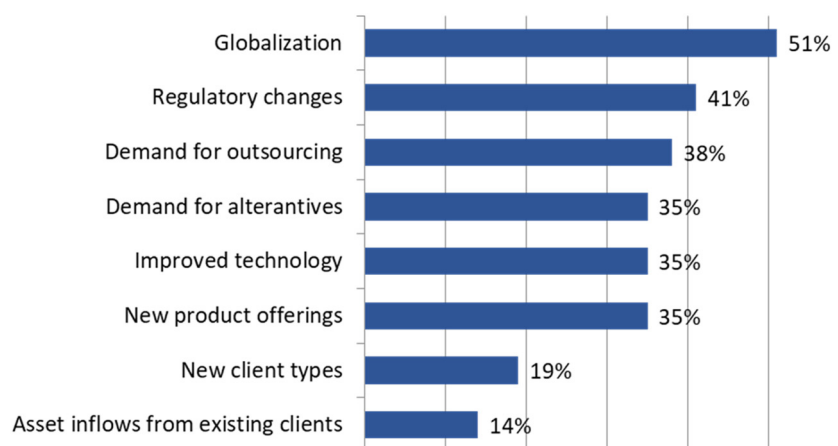
The dramatic growth in alternative investments is creating a major opportunity for asset servicers. The needs of alternative asset managers are expanding as their requirements (regulatory, risk and transparency) have grown significantly, introducing greater complexity and presenting significant operational challenges (finding ways to reduce the costs of managing risk while also increasing effectiveness). Not only has outsourcing become an accepted practice among alternative investment fund managers, it has now become a necessity.

As investors grow increasingly keen on alternative investments and are now demanding products right across the alternative investment portfolio, there is a significant opportunity for the capital markets and corporate service firms to provide integrated middle-office, administration and accounting solutions (i.e., assisting with valuation, risk analysis, regulatory compliance, investor due diligence and reporting functions).

EY took out a survey on opportunities and trends in the asset management industry in 2015. Key main findings are:

- The demand for operational and administrative service remains strong, creating many opportunities for revenue growth in assets under administration.
- Considerable margin pressure as revenues have plateaued, despite rising securities markets, is driving companies to revisit their operating models.
- There is a major focus on technology delivery and data architecture to enhance the client offering and to improve efficiency.

Top opportunities in asset servicing



Source: EY (2015): New opportunities for asset servicing – Global Asset Servicing Study

Luxembourg:

Research executed by PwC 2017 based on analysis of the trade register and official journal shows at least 1,222 active securitisation vehicles beginning 2017.

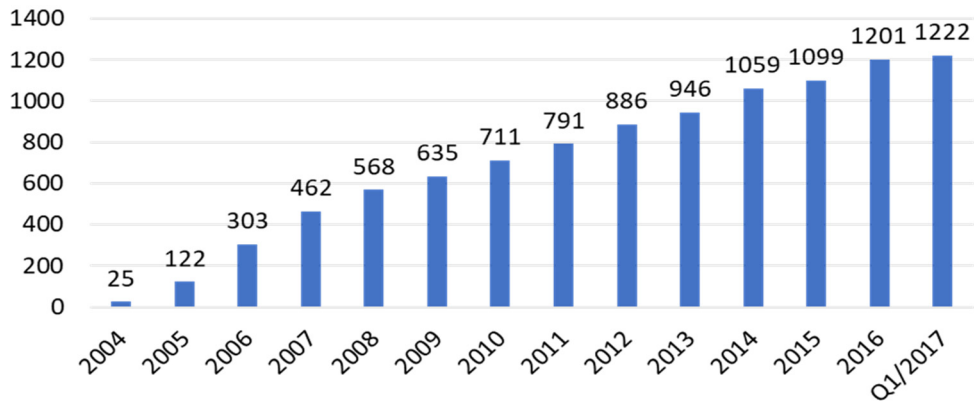
Nearly all securitisation vehicles are set-up in form of securitisation companies. 57% of securitisation companies are incorporated as public limited companies (*société anonyme*), 40% as private limited liability companies (*société à responsabilité limitée*) and 3% as partnerships limited by shares (*société en commandite par actions*) or corporative companies organized as public limited company (*société cooperative organisée comme une société anonyme*).

In last five years far more than 100 vehicles have been created annually. This trend has been confirmed in 2016 with a net increase of 102 securitisation vehicles (175 creations and 73 liquidations). This continued in 2017.

Luxembourg has the most financial vehicle corporations in the Eurozone. As of the third quarter of 2017 around 30% of European securitisation vehicles were domiciled in Luxembourg (followed by Ireland 23%, Italy 16%, Netherlands 11%, France 9% and Spain 8%).

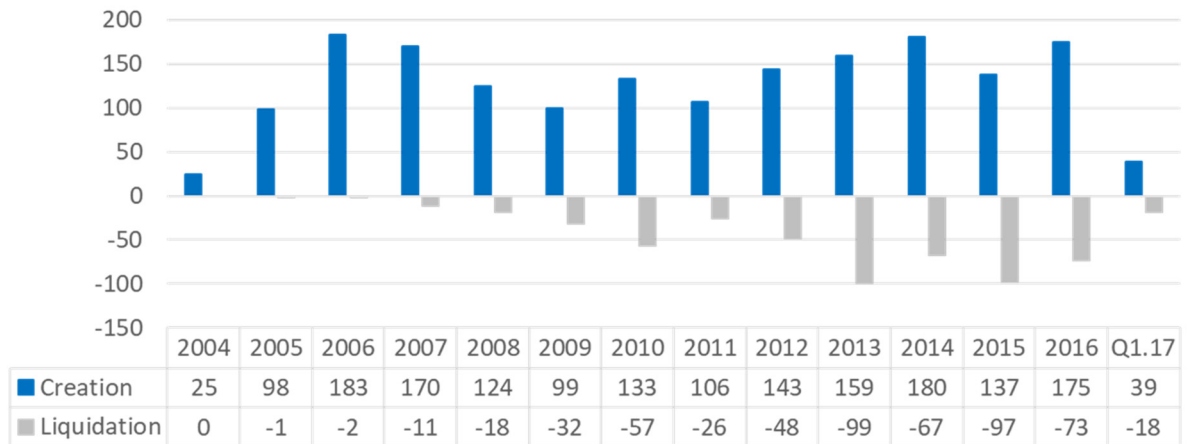
The following tables show (a) the total number of securitisation vehicles domiciled in Luxembourg year on year as from 2004, and (b) the number of securitisation vehicles domiciled in Luxembourg that were created or liquidated year on year as from 2004, both as presented by PwC in a recent study (2017):

Yearly evolution of securitization vehicles -
total number



Source: PWC (2017): Securitization in Luxembourg – A comprehensive guide

Yearly evolution of securitization vehicles - Creation and liquidation



Source: PWC (2017): Securitization in Luxembourg – A comprehensive guide

Germany

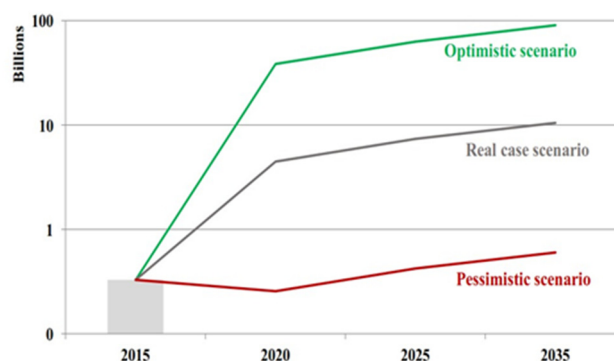
Compared to the Anglo-Saxon countries, however, an active securitisation market emerged relatively late in Germany – starting from 2000. From the beginning, the German market was dominated by so-called (synthetic) balance sheet transactions, referring to banks securitizing portions of their loan portfolios that they previously held on the balance sheet.

The German securitisation market has been (and still is) used primarily for assets with a real economic background, e.g. consumer loans and auto loans of German (Auto) banks leasing and trade receivables of German corporates and leasing companies as well as loans and other financial instruments granted to, and issued by, German small and medium-sized companies.

The study “The FinTech Market in Germany” conducted on behalf of the German Federal Ministry of Finance in 2016, quantifies the market volume of the industry. The study estimates the total volume of the potential addressable markets of the financing and wealth management segments in Germany equal to almost EUR 1.7 trillion in 2015. The figure comprises a market volume of approximately EUR 380 billion for the financing sector and about EUR 1.3 trillion for the wealth management sector. Financial technology (FinTech) is the new technology and innovation that aims to compete with traditional financial methods in the delivery of financial services. In a real case scenario, the study forecasts growth in the total market volume of FinTech-firms of approximately EUR 58 billion in year 2020 and EUR 97 billion in 2025. In 2035 market could realistically reach a volume up to EUR 148 billion.

An increasing number of FinTech-firms addressing traditional banking services (such as crowdlending, trade-receivables trading platforms etc.) creates further demand on the European securitisation markets, as these new market participants are looking for off-balance sheet transactions to finance their assets and transactions. The following table shows the forecasted volume of crowdlending, as a means of FinTech, and other loans delivered through FinTech-firms, as presented in the study “The FinTech Market in Germany” conducted on behalf of the German Federal Ministry of Finance in 2016:

Forecasted market volume of crowdlending and other loans



Source: Dorffleitner, Hornuf, Schmitt, Weber (2016) „The FinTech Market in Germany“, Final Report October 2016

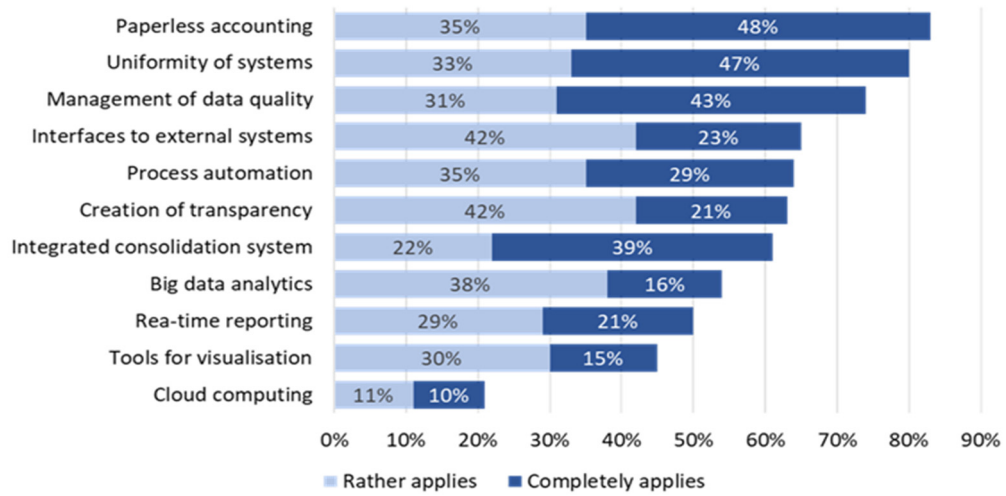
Based on these forecasts, there’s an exponential growth in volume, a shift from traditional banking services and a major growth potential on independent service providers for both – funds and securitisations.

13.2.3 The Digitization & IT-Services market

Financial industry-wide digitalization is expected to bring changes in asset management in the way of running the business in future. According to an EY survey (“Asset-Management-Studie”, 2017), 97% of respondents agree with the statement that digitization will have a significant impact on the existing business model. This is mainly due to the fact that so far no comprehensive digital strategies are implemented. Furthermore, networking and cooperation of established companies in the financial industry with digital start-ups will also become more relevant in future.

Digital transformation of corporations is occurring not only in the core operation areas along the value-chain, but also in central/administrative functions. In 2017, KPMG conducted a study regarding the expected impact of digitalization in accounting in the next two years. For the study KPMG ask management of about 150 companies in Germany about their expectations and further investments in different fields of operations, which answers are categorized in the following table:

Digital solutions in accounting - outlook Germany

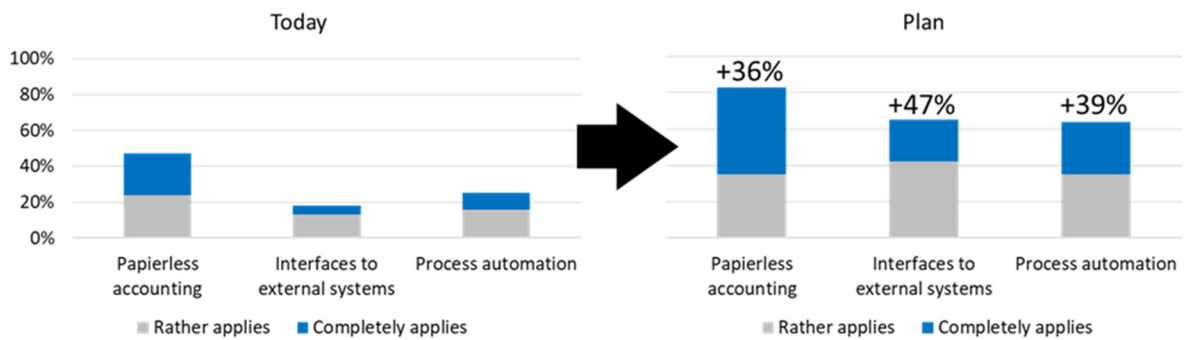


Source: KPMG (2017): „Digitalization in Accounting“

The following results were received:

- The participants of the study showed a high approval of future digital solutions in the field of paperless accounting (83%), interfaces to external systems (65%) and process automation (64%).
- A trend to more digitalization and process automation was detected.
- Cloud computing generated the lowest agreement. Apparently, a significant number of the companies have not yet conclusively dealt with the advantages and disadvantages of the cloud of the future.

The following chart shows the plans of the companies questioned by KPMG in contrast to today’s behaviour, both according to KPMG’s study:



Source: KPMG (2017): „Digitalization in Accounting“

13.3 Our History

13.3.1 Axxion S.A. was founded on 17 May 2001 in Munsbach (Grand Duchy of Luxembourg). In September 2001 the first mutual fund administrated by Axxion was launched.

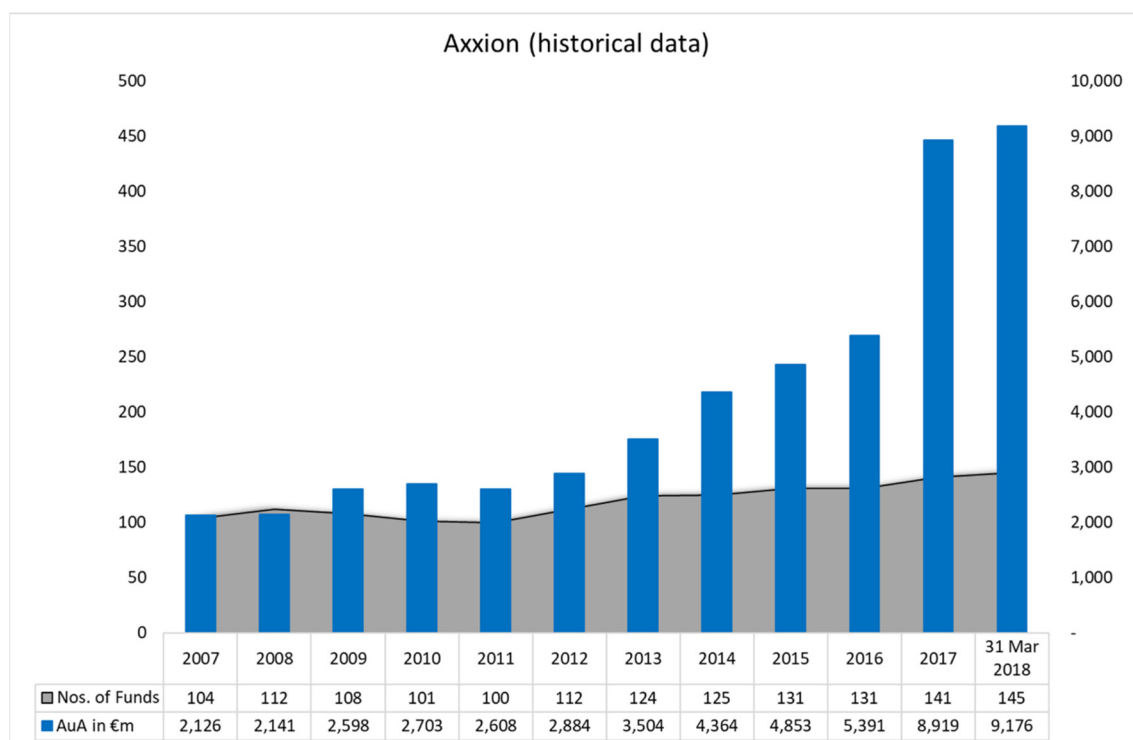
Driven by a major taxation change in Germany, in 2007 and 2008 the growth rate of Axxion accelerated and Axxion serviced more than 130 funds.

In 2011 Axxion founded navAXX S.A., to provide its customers a „one-stop-shop“ on fund administration, registrar and fund accounting services.

In 2014, Axxion did further expand their regional reach by setting up Axxion Deutschland Investmentaktiengesellschaft mit Teilgesellschaftsvermögen to provide fund services according to German funds regulations.

In 2017, Axxion administered over EUR 5 billion assets under administration and given the successful onboarding of the administration and accounting services for a major German fund in October 2017 exceeded EUR 7.2 billion (EUR 8.9 billion at the end of 2017) assets under administration.

The following chart shows the growth of Axxion’s assets under administration (“AuA”) for the last decade (in EUR million, as per 31 December of each year 2007 until 2017 and as of 31 March 2018):



13.3.2 Oaklet GmbH was founded in June 2006 in Frankfurt. The team consisting of the four founding partners of Oaklet started operations in summer 2006 and managed to take-over the calculation agent and arranger services of Allgemeine Gesellschaft für Verbriefungen S.A. – a securitisation company in Luxembourg, founded in 2005 and issuing index linked notes to European investors.

Based on the team’s long-termed relations within the investment banking industry and its derivative business lines, Lehman Brothers became a major client of Oaklet in 2007 until its bankruptcy in September 2008. As securitisation was alleged to have caused the financial crisis in the US, Oaklet’s business was affected

negatively, but based on a diversified mix of assets securitized and relatively short-termed product offerings, the drawdown and impact was relatively lower than the industry's exposure.

Markets - especially the securitisation of alternative assets – began their comeback in late 2009 and Oaklet's focus on Family Offices and the ultra high net worth individuals (UHNWI) segment of private banks in Germany turned into a number of securitisations, which's average duration did also increase. The European Alternative Investment Fund Manager Directive (AIFMD) – and especially several exemptions for securitisation transactions – did also support the resurgence of the securitisation market in Europe, while the US market did already trade on their pre-crisis levels.

In 2015 Oaklet GmbH took-over a Luxembourg based, authorized asset management company in Wasserbillig and obtained several additional licenses such as corporate services, registrar, notification agent services with the Luxembourg financial supervisory authority (the "CSSF").

Since 2017 Oaklet provides fully integrated corporate services, accounting and administrative services to its securitisation clients (7 securitisation platforms with multiple compartments).

13.3.3 capsensixx AG has entered into a letter of intent with Dresden based INQUENCE GmbH ("INQUENCE") to form coraixx GmbH & Co. KGaA and to fund its operations by the end of June 2018. coraixx GmbH & Co. KGaA's, a German limited partnership, future business is based on a scientific project of a leading German tourism group that did address to digitize and to automate its paper-based accounting workflows. Starting in early 2015, INQUENCE together with Fraunhofer Institute for Transportation and Infrastructure Systems (the "Fraunhofer IVI") developed the first prototypes, the first version was released in the first quarter of 2016. Following this first release and several iterations on the initiators data framework, the system started its operations in the third quarter of 2017 (with TUI as anchor customer). While capsensixx is the sole shareholder (*Kommanditaktionär*) of the shares of coraixx GmbH & Co. KGaA, the shares in the general partner (coraixx GmbH) are equally split between capsensixx and INQUENCE. Fraunhofer IVI is intended to remain the preferred research and development partner to enhance coraixx GmbH & Co KGaA's digital solutions. coraixx is expected to start its operations in summer 2018 and to provide a large-scale, self-learning and adaptive solution to transform unstructured (i.e., paper-bills) into structured data for its clients. For further details see "7.2- Use of Proceeds").

13.4 Our Market Opportunity

capsensixx's subsidiaries and its complementary services offering is unique in the market. While most of the competitors either focus on low-cost, standardized products or on fully-integrated asset management business models, Axxion and Oaklet target initiators valuing individualized, high-quality administrative services, willing to perform their own decisions.

EY took out a survey on opportunities and trends in asset management industry in 2015. Key findings published in EY's study "New opportunities for asset servicing: Global Asset Servicing Study" were:

- The demand for operational and administrative service remains strong, creating many opportunities for topline growth in Assets under Administration.
- Considerable margin pressure as revenues have plateaued, despite rising securities markets, is driving companies to revisit their operating models.
- There is a major focus on technology delivery and data architecture to enhance the client offering and to improve efficiency.

More than 50% of asset servicers see globalization as one of the prime opportunities for future growth as investors look for further market diversification. More over distribution is expanding globally, presenting opportunities for companies able to leverage and capitalize on their capabilities and expertise.

According to EY's study "New opportunities for asset servicing: Global Asset Servicing Study"(2015), nearly 75% of companies interviewed see the impact of regulations as the greatest risk facing the asset servicing

industry. Despite greater understanding of what the regulatory landscape will look like, many asset managers are worried about what comes next. And the prospect of their own success is also worrying: some of the major servicers now fear that as they expand, they themselves will face increased scrutiny from regulatory agencies.

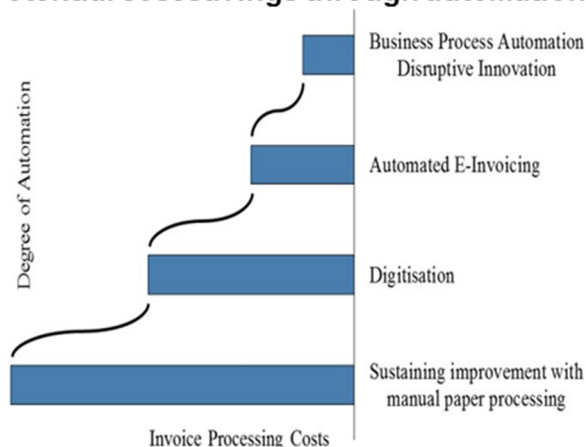
Although the regulatory environment is seen as a material risk for the asset management industry generally, it also represents a significant opportunity for servicers: Initiators and asset managers are faced with ever increasing burdens from the regulators, and servicers can differentiate themselves by offering value-added solutions to meet these demands.

Helping clients to focus on their performance generating strategies, while all the administrative, regulatory and time consuming operating tasks are rendered by the Group, capsensixx has a great opportunity to create a real “win-win” situation with, and for, its clients.

coraixx is intended to operate within a special situation and we believe, its Software-as-a-service offering will attract especially large-size institutions with more than 1 million paper-invoices to be processed yearly. Given its outstanding efficiency and API-driven add-on technology framework, such technology is prepared to enable not only German but clients all over the world, to automatise their accounting processes and to cut the processing costs significantly, while at the same time, receiving real-time access to structured data enabling its proprietary data-analytics resources.

The following diagram shows the potential relative cost savings that can be accomplished through automation of the invoicing processes, as presented in a recent study (Bilentis, 2017):

Potential cost savings through automation



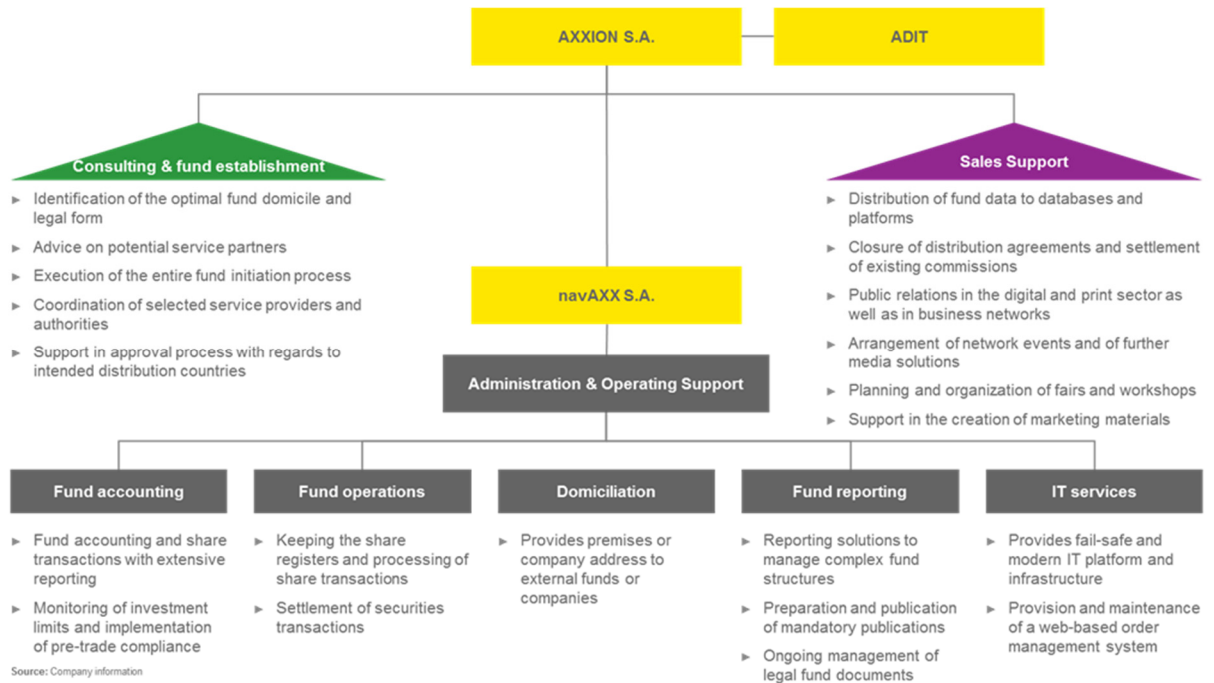
Source: B. Koch, Bilentis (2017): „Die E-Rechnung steht im Zeichen großer Marktveränderungen“

13.5 Our Business Model and Service Offering

Given the different, complementary subsidiaries and services within its Group, capsensixx offers a “single-point-of-entry” access to the specialized teams. While the primary function of capsensixx functions is that of a holding company, it supports its subsidiaries by assisting new clients to identify the right addressee of their individual requests and questions within the Group and thus is intended to help its subsidiaries to attract new clients. However, the operating businesses are performed in capsensixx’s subsidiaries only and capsensixx does not intend to start operating a separate business. Accordingly, the business model of “Financial Administration as a Service” combines different business models along the administrative value-chain within the financial industry in a smart way.

13.5.1 Fund Management, Administration & Accounting

The following chart presents Axxion’s different service areas and its subsidiaries navAXX S.A. and Axxion Deutschland Investmentaktiengesellschaft mit Teilgesellschaftsvermögen (“ADIT”):



There are (apart from others) two main groups of clients:

- Asset/Investment Managers and Asset/Investment Advisors (the “**Asset Managers**”) are looking for ways to increase their investor base and improve their distribution channels by use of an as-easy-as-possible and therefore efficient and simple way for a large investor base to invest into their strategies and ideas. Typically, these Asset Managers are looking for a white-label solution in order to create their own brand alongside publishing the track-record of their products.
- Family Offices and Private Wealth Managers (the “**PWMs**”) focusing on tax- and cost-efficient structures enabling them to invest in a wide variety of products, asset classes in combination with the use of a selected number of asset managers managing a single vehicle in order to deal with administrative and regulatory requirements applicable to them and their clients in a very efficient and lenient manner. Typically these PWMs are looking for individualized solutions in order to provide their clients with tailor-made product fit to their needs and investment strategy.

Based on its experienced management and sales team, Axxion (headquartered in Luxembourg) helps clients to determine the right domiciliation (in particular Luxembourg or Germany), the suitable corporate entity (SICAV, FCP, UCITS or Specialized Fund etc.), provides issuance services such as coordinating service partners and facilitates the approval process with the respective authorities. Based on the complexity of preparing the investment documentation and the approval process, Axxion charges an agreed set-up fee / advisory fee for services rendered.

Axxion supports its clients (and in particular the above-mentioned Asset Managers) to improve their net-inflows and to attract further intermediaries, distribution channels and distribution partners.

Following the approval and the inception of the fund, Axxion does operate the funds’ day-to-day business, in particular:

- In respect to fund management services Axxion manages the funds. It should be noted, however, that Axxion has generally either (i) outsourced the portfolio management of the funds to the relevant Asset Manager upon whose initiative the fund has been set-up or (ii) is relying on investment advice provided by the relevant Asset Manager upon whose initiative the fund has been set-up. While in the first alternative the relevant Asset Manager acts as discretionary portfolio manager and, therefore, may acquire and/or dispose of the relevant fund's assets based on an authorisation granted by Axxion to the relevant Asset Manager, in the latter case it is Axxion who decides to, and acquires and/or disposes of the relevant fund's assets based on the investment advice received from the relevant Asset Manager.
- The middle-office of a fund administrator is typically meant to assist asset managers and to process and implement their investment decisions with respect to the portfolio. For example, if an Asset Manager decides to invest into a particular stock, the middle-office checks for the stocks compliance with the investment criteria and restrictions of the fund, runs pre- and post-trade checks in respect of the risk-limits and transmits the respective trade order to the funds dedicated brokers to execute the sale or purchase of the stock. The middle-office also provides support and assistance in managing any regulatory or taxation framework in order to keep the initiators fund in-line with its given requirements.
- The back-office is typically meant to perform all duties and services related to the fund shares handling. For example, if an investor is subscribing for an investment in a particular fund, the custodian bank of the fund will typically purchase these fund shares either using a centralised settlement system or via a direct interaction with the transfer agent of the particular fund. The transfer agent will maintain the register of fund shares and will process any share transactions. The fund accounting maintains the accounts of the fund (ie. the books and records of the fund including, for example, the changes to the composition of the portfolio of the fund by recording sales and purchases of assets and their respective settlements on a "delivery-vs-payment" basis as well as any costs linked to these transaction etc.). The back office also reconciles the composition of the portfolio with the fund's custodian and based on these accounts, the back-office periodically calculates the "net asset value" of any particular fund share or even share classes as part of a more extensive reporting to comply with regulatory and legal requirements and/or certain specific investor's needs. Also, the fund accounting unit is responsible for compliance by the fund with applicable tax laws and tax reporting requirements applicable to the funds and provides the corresponding reports to the fund investors.

Middle- and back-office services are charged – according to its specific nature – either (i) on volume based fees (typically a particular percentage of the "net asset value" of the specific fund shares) and/or (ii) on transaction based compensations for services rendered. As the recipient of the particular services are the fund vehicles, the respective fund (and not the initiator of the fund) is charged by Axxion . Given that Axxion is typically running the entire fund accounting, it is booking the asset management fees and performance fees on its accounting system, as a pass through item given that such fees are owed to the respective Asset Manager.

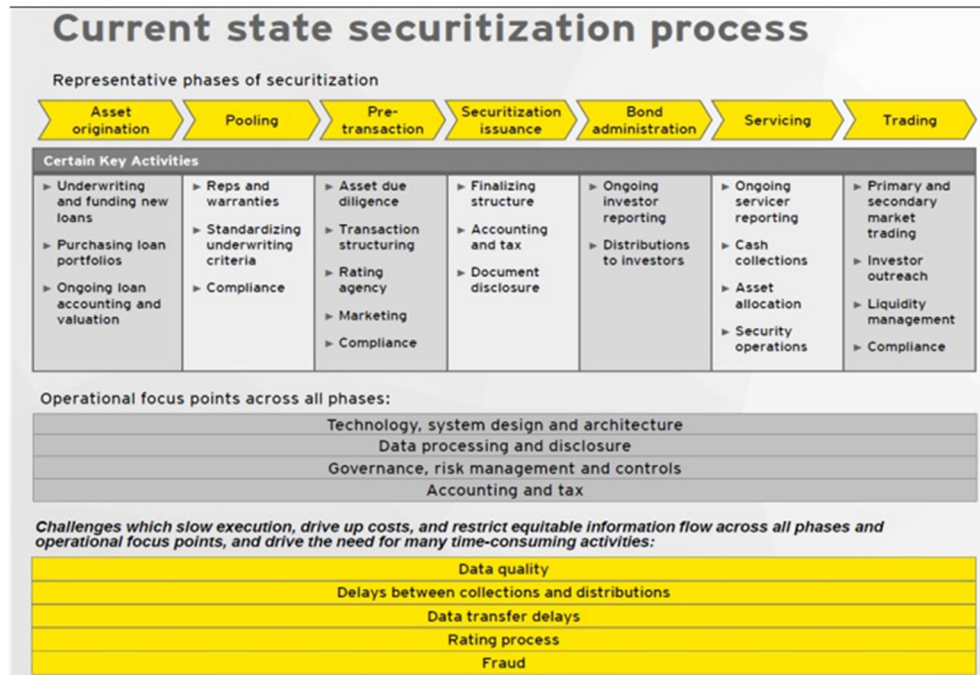
Axxion also provides liquidation services to dissolve or liquidate a fund. Any liquidation fees of Axxion are also charged to the fund.

13.5.2 Capital Markets & Corporate Services

In order to achieve the intended investment objective, investments may also be structured as a re-packaging or securitisation transaction and may even involve derivative transactions. Due to Oaklet's track-record as an independent specialist on these types of transactions since 2006 with substantial track record in securitisation transactions in Germany, Austria and Switzerland, initiators seeking advice and assistance in the set-up of these transactions have become clients of Oaklet.

The following diagram shows a typical securitisation process serviced by Oaklet at the outset from as early as the "Pre-transaction" phase:

Current concept of securitization process



Clients of Oaklet can generally be categorized as either sell-side or buy-side clients:

- Sell-side clients are trying to find the most efficient and attractive product (i) to provide the targeted investors with an suitable investment structure or a format eligible for investing into any given asset, (ii) to optimize capital requirements for any such investment and/or (iii) to add features, such as fungibility or even liquidity, to a given target investment asset by using securitisation, repackaging or other suitable structures. Risk-mitigation strategies such as tranching or over-collateralization techniques are often used to enhance the credit risk profile of a specific investment.
- Buy-side clients are most often addressed from asset managers and originators and if interested in the particular risk-return-profile of a particular asset, seek for a corresponding investment structure which complies with their internal investment guidelines and any applicable external regulation (for example the investment ordinance (*Anlageverordnung*) or Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on taking-up and pursuit of the business of Insurance and Reinsurance (*Solvency II*) as implemented).

Following extensive analysis and in-depth research on the clients' needs and investment objectives,, Oaklet provides clients with a termsheet summarizing the products specifications, the proposed set-up and the issuing and/or service providers necessary to implement the investment structure, accompanied with the corresponding pricing schedule. If the client agrees with the proposal, Oaklet starts its Pre-Transaction services as shown in the above chart and acts as arranger to the particular transaction. In order to match the client's investment objective, Oaklet typically sets-up Compartments within one (or more) of its serviced securitisation vehicles dedicated to a particular client, organizes the documentation of the transaction and coordinates with the respective banks required to provide the respective paying agency, custodian and account banking services as well as, rating agencies, trustees and others – if applicable to the transaction.

Following the issuance of the product, whether a note, a bond, a profit-participation-right or even hybrid or equity-type of products, Oaklet provides middle- and back-office services as described above (Fund Administration and Accounting) dedicated to securitisation vehicles and special purpose vehicles only.

As most of the issued products are listed on an exchange or organized market within the EU, Oaklet also arranges for the products to be listed and admitted for trading on the relevant EU markets provides secondary market services to the issuing vehicles and their counterparties (i.e. brokerage services).

All the services in connection with a particular transaction are rendered by Oaklet to the securitisation vehicle, acting in the name and for the account of a particular compartment, the Oaklet fees are charged by Oaklet to any such vehicle, for the account of the specific compartments. These fees are typically the following:

- A set-up fee / arranger fee charged as a fixed pre-transaction based fee the amount of which depends on the complexity of the structure, preparation of the investment documentation and the degree of Oaklet's involvement (e.g. in case a rating is required communication with the rating agencies) and the approval process with authorities or exchanges.
- If Oaklet is appointed to act as Calculation Agent and to provide Calculation Services to the respective securitisation transaction (which is the case for most of the transactions), a Calculation Agent fee is charged which is based on the volume of the particular transaction and may vary depending on the complexity and frequency of the calculations required.
- A corporate service and administration fee, in case Oaklet S.A. is appointed as corporate service provider providing domiciliation, directorial and corporate services to the respective securitisation vehicle (which is the case for almost all of these transaction vehicles).

In addition, Oaklet provides advisory and consultancy services to clients to a specific transaction set-up by Oaklet which may be ongoing even after the launch of a transaction or may relate to products for which Oaklet does not provide any of the above services but acts as an independent adviser. For these advisory services, Oaklet charges an advisory fee.

13.5.3 Digitization & IT-Services

As both, capsensixx' Fund Management, Administration & Accounting and Capital Markets & Corporate Services, require services specific to the respective transaction, vehicle and investor, these services are set-up by our IT specialists to reflect these requirements, so that our teams (employees) can rely on Axxion's and Oaklet's proprietary IT-network and systems when running the day-to-day management. In particular, today's complex and consistently changing regulatory framework applicable to vehicles, transactions and investors (even in multiple jurisdictions) requires an innovative approach in automation and digitization of processes in order to comply with timing constraints (inter alia imposed by regulation) while at the same time, operate efficiently and keeping costs for processing as low as possible. navAXX on the one hand side and Oaklet S.A. on the other provide a robust IT-infrastructure for their parent companies Oaklet GmbH and Axxion S.A., respectively, and maintain and continuously develop proprietary software applications on state-of-the-art systems. navAXX – as a Luxembourg authorized provider for IT-Solutions within the financial industry – also runs a “virtual desktop” environment including MS Office- and risk management applications, CRM - and Risk-Management Software (PSPlus) for the Selling Shareholder PEH Wertpapier AG (and its subsidiaries and offices) in Germany.

With the “prove of concept” phase successfully having been completed by providing services to members of the Group, navAXX has been approaching external clients and even competitors to migrate and/or operate their IT systems on navAXX's IT platform. In January 2018, Oaklet has initiated the development of its “1sec SCOOP S.A.” IT platform for the automated issuance of its products with the aim to go live in the second half of 2018.

capsensixx will focus its strategy to invest in start-ups and potential acquisitions of companies active in the field of technological innovation to further drive and accelerate the aforementioned IT developments of an ever more automatized and digitalized IT platform. As described above in 13.3.3, coraixx (a joint-venture of INQUENCE GmbH and capsensixx) is expected to start its operations in summer 2018 and to provide a large-scale, self-learning and adaptive solution to transform unstructured data (i.e., paper-bills) into structured data that can be processed automatically. Digitization of accounting is said to be one of the most disruptive innovations to enable clients to lower their processing costs while generating a real-time data set to enable

clients to run more sophisticated in-depth analysis of these data sets. Based on the “Final Report in the eRechnung Project” as of July 2013 published by the Goethe University of Frankfurt together with the Federal Ministry of the Interior in Germany, about 32 billion paper-bills are processed in Germany per year and the costs of processing is up to EUR 23.00 per invoice.

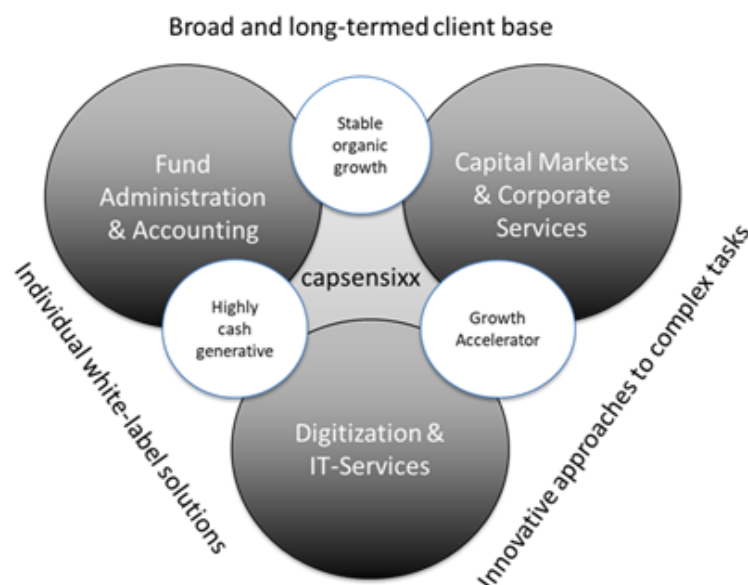
While these numbers refer to Germany only and show the German market potential there is an even greater market potential globally capsensixx is therefore targeting to become a major “Software as a Service” provider for a fully automated and digitized accounting solution, which starts its operations in Germany but is intended to serve clients in the EU and globally as early as possible.

coraixx (a joint-venture of INQUENCE GmbH and capsensixx) is intended to operate in a special niche and we believe, its "Software-as-a-service" offering will attract especially large-size institutions with more than 1 million paper-invoices to be processed yearly. On the basis of its outstandingly efficient and API-driven add-on technology framework, its technology is designed to enable German and clients all over the world, to automatise their accounting processes and to cut the processing costs significantly, while at the same time, receiving real-time access to structured data forming the base for the provision of proprietary data-analytics services. API stands for application programming interfaces (which is a set of subroutine definitions, protocols, and tools for building application software).

13.6 Strengths

capsensixx’s unique competitive advantage is based on the smart combination of several services and providers all with the same dedication: provide tailor-made solutions, focus on the stability and continuity of the client’s products to permit the client to focus on their performance.

The Company believes that the key strengths of the Group are as set out below:



While all the segments share the same dedication to client service, the capsensixx strategy is more than that and combines a broad client base, a product offering from retail-eligible UCITS to complex, tranchd securitisations and a peoples-led relationship management to fully automated, digitalized processes. capsensixx is a unique combination of stable and continuing growth focused on cash-generating businesses, with a clear strategy to accelerate growth by the use of innovative digitization technologies.

- While competitors acting as boutiques and providing tailor-made solutions as well, they are typically limited in one of the above described businesses or individual segments of the value chain.

- Large institutions and investment banks, who typically provide a diversified variety of solutions, generally tend to target only large-scale transactions or standardized products, instead of Axxion's and Oaklet's offering to small- and mid-sized transactions tailored to client needs.
- In contrast, a lot of start-ups tend to build their business cases on market trends with the effect that only few survive, capsensixx has already proven over the course of its life span that it has the ability to create growth accompanied by an increase in earnings.

Besides this, the combination of a highly motivated staff, experienced, long-standing management on every single level and an entrepreneurial approach to innovative digitization technologies enables capsensixx to provide an unique innovative, outstanding and competitive "Financial Administration as a Service" portfolio.

13.7 Strategy

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

13.7.1 Organic growth strategy

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

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

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

Axxion

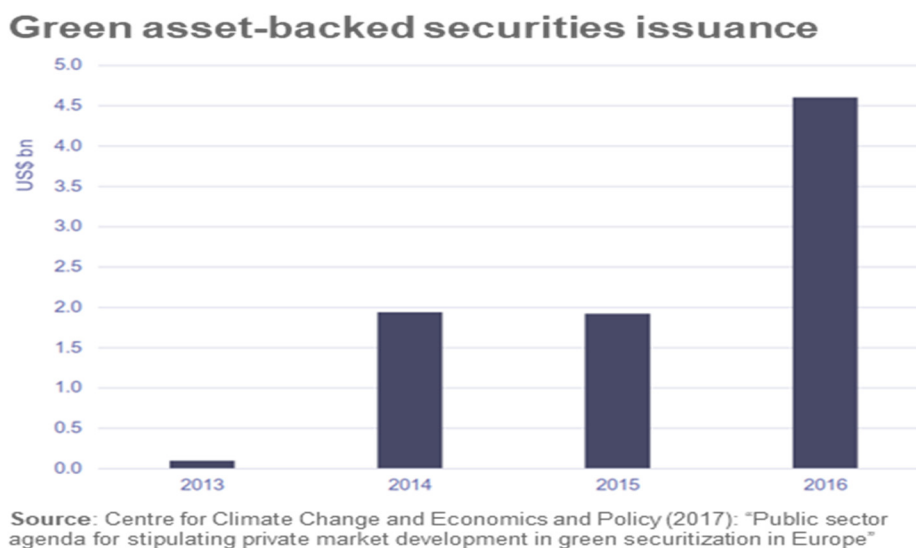
Axxion aims to grow organically by generating new clients and net-inflows. Given its ability to administer German domiciled funds and the (absolute) growth-rate of German based funds compared to Luxembourg based funds, Germany remains Axxion's region of focus.

Since the fund industry in Luxembourg is expected to be subject to consolidation over the course of the next coming years, Axxion is also planning to provide its back-office-services (i.e., Transfer Agency, Accounting, NAV-calculation etc.) to external fund management companies and administrators and even competitors of Axxion.

Oaklet

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

- As described above, “1sec SCOOP S.A.” has been founded in January 2018, with the aim to become one of first automated securitisation platforms in Europe and focused on large-scale institutions seeking independent service providers and issuers to securitize their transactions.
- Oaklet received a “carbon neutral” certification in autumn 2017 and is marketing its “carbon neutral securitisation” since then. Green bonds could play a key role in helping to finance the investments needed to achieve the EU’s Climate and Energy objectives and the UN Sustainable Development Goals. The annual global investments required for the building of an infrastructure in a low-carbon scenario amount to trillions of euros, which are not expected to be met in the near future. As shown in the following diagram, the issuance of green-asset backed securities has significantly risen in recent years (Centre for Climate Change and Economics and Policy, 2017):



Given its “Carbon neutral” certification, Oaklet enables initiators and originators to perform their product development and issuances with a “green” service provider.

13.7.2 Acquisition growth strategy

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

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

The Company considers the expected further consolidation in the sector, which is additionally fuelled by increasing regulatory requirements and the continuing exit of global accounting firms, law firms and banks

from the industry as an opportunity for future acquisitions. capsensixx therefore reviews acquisition opportunities on an ongoing basis.

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

13.8 Our Product/Services

We offer a diversified and integrated set of fund management, administration and corporate services. Our service offering comprises: fund management, administrating & accounting services, capital markets & corporate services as well as digitization & IT-services.

13.8.1 Fund Management, Administration & Accounting

Through our fund services business we provide services covering the incorporation and administration of funds, including various forms of alternative investment funds. Our fund services offering comprises:

- **Management and Administration services**, consisting of the incorporation, administration and day-to-day management of our clients' funds. We provide corporate administration services, registrar and transfer agency services, and trust or nominee structures to administer voting rights for shares held in fund structures.
- **Fiduciary services**, consisting of supporting our clients' operational, regulatory and governance requirements and assisting them with director and trustee requirements. We provide our clients with directors, registered offices and authorised representatives for their funds, and trustee services for unit trust structures.
- **Accounting and reporting services**, consisting of full service asset administration, including net asset value (NAV) calculations, investor reporting, fund accounting, audit assistance, fund banking and payment services, performance fee calculations and proxy services for investors in funds.
- **Depository services**, consisting of acting as a depository for non-financial assets within the meaning of the AIFMD. Our depository services include cash flow monitoring, asset verification and asset safekeeping and oversight services.

13.8.2 Capital markets & Corporate Services

Our capital markets services offering provides a wide variety of services to special purpose vehicles (“SPVs”) used for capital markets transactions. These transactions include securitisations (such as residential mortgage backed securities, commercial mortgage backed securities, collateralised loan obligations, (single asset) repackaging and other asset backed security transactions) and notes issuances. Our capital markets services comprise:

- **Portfolio administration services**, consisting of administrative services with respect to the underlying asset(s) held by the SPVs. These services include, amongst others, asset cover testing and the performance of other portfolio related tests, which entails the evaluation of the underlying assets against a set of predetermined criteria.
- **Calculation services**, consisting of the preparation and monitoring of cash flow waterfalls, principal and interest ledger calculations, monitoring of credit default swap calculations, monitoring of trigger events and the calculation of payments to third party service providers and other third parties.
- **Investor reporting services**, consisting of reporting services to investors in the SPVs with regards to amongst others portfolio stratifications, cash flow generation, prepayments, waterfalls and performances.

Our corporate services consist of assisting clients with the setting up, managing and unwinding of their corporate, investment and finance transactions. Our corporate services offering comprises:

- **Formation and implementation services**, consisting of setting up client entities for our clients. We offer our clients an efficient way to set-up new investment vehicles by incorporating new entities or providing existing shelf entities.
- **SPV and trustee services**, consisting of domiciliation, management, directorship, administration and accounting and reporting services for SPVs (SPVs are “Special Purpose Vehicles” which are typically set-up for a specific transaction to either act as an acquisition or financing vehicle or both the same time).
- **Domiciliation and management services**, consisting of providing a registered office or office space to our clients for the execution and operation of their business in various jurisdictions. We offer our clients the possibility to appoint us or our employees as director, proxy-holder or company secretary for a corporate entity. We conduct the day-to-day management of these corporate entities.
- **Administration services**, consisting of corporate secretarial services, maintaining statutory and tax records, organising shareholder and board meetings, preparing relevant documentation, and unwinding and dissolving corporate entities.
- **Accounting and reporting services**, consisting of accounting, bookkeeping, financial reporting, consolidation, assistance with financial audits, internal controls, and VAT registration and administration. We offer payroll services and real estate investment services, engage in bank account management and pension fund administration, and provide services with respect to employee benefit trusts and the administration of trusts and foundations. We also offer process agent services.

13.8.3 Digitization & IT-Services

As described above, beside navAXX’s and Oaklet’s ambitions and strategies, capsensixx will further invest in start-ups and acquisitions dedicated to disruptive technologies within the Groups playing field.

The digital transformation of companies is occurring not only in relation to operational function of a company along the value chain, but also in relation to core central functions such as the procurement of goods and services, human resources as well as the finance and treasury department. Given capsensixx’s experience in administrating finance matters and accounting, we focus our digitization & IT-services on two major digital transformation drivers:

- Paperless accounting and process automation: Based on capsensixx’s joint-venture – coraixx – is intended to become a leading “Software-as-a-Service” provider to enable large-scale institutions to digitalize their accounting. In addition to the more obvious motivation to reduce costs, data quality, data consistency, enhanced processes (by re-shaping traditional ones) and improved audit workflows are value add features coraixx is actively developing and marketing. With its joint venture partner Fraunhofer IVI providing its research and development capacities, coraixx intends to build additional applications to offer products and solutions for clients based on their needs and future market and business opportunities.
- IT-services: navAXX provides a robust IT-infrastructure. As a Luxembourg authorized provider for IT-Solutions within the financial industry, navAxx is addressing further external clients and even competitors to mitigate their IT on their platform.

13.9 Our Operations

Our business is centrally managed by our management board consisting of two members. See “Corporate bodies and Founder - Management Board”. Our centralised management organisation enables us to initiate and roll-out sales, marketing, human resources, finance, legal, compliance, strategic and other initiatives in an integrated and coordinated manner throughout our global network and ensure that the members of our

Group work together seamlessly around the globe which is reflected in the promotion of our Company as “CXX.world”. We believe that this centralised management structure that is in line with the positioning of capsensixx as “single point of entry” distinguishes us from most of our competitors who do not have the same centralised and coordinated approach on a strategic basis.

On the level of our subsidiaries, the operations are organized separately and managed by the subsidiaries’ founders.

13.10 Our Customers

As most of Axxion’s funds and Oaklet’s capital markets transactions involve a number of participants, including sell- and buy-side investors, initiators, asset managers and others, it is hardly possible to determine the number of “customers” with a view to the “final beneficiaries” of our services. Therefor we only track the number of outstanding transactions, compartments and funds which as of 31 March 2018 were the following:

- Fund Management, Administration & Accounting: Axxion services 141 funds, while navAXX S.A. accounts for 146 funds.
- Capital Markets & Corporate Services: 64 compartments, 66 outstanding tranches with 7 securitisation platforms.
- Digitization & IT-services: navAXX serves 4 clients within the financial industry.

As of 31 March 2018, coraixx had not yet started its operations.

13.11 Our Marketing

capsensixx has developed a central marketing strategy and platform, which is designed to support the “single-point-of-entry” offering of capsensixx. Beside common marketing practises, capsensixx provides a centralized platform (CXX.world) enabling the Group to issue notifications, news, comments, interviews and speeches dedicated to intermediates (ie. journalists and news networks) to get integrated into their news flows. The marketing solution integrates capsensixx’s social media, messengers and internet presence.

13.12 Information Technology

We believe that a number of capabilities allowing us to differentiate our proposition from those of our competitors are enabled by our IT systems. Although we create value through people driven services, IT plays a key role in our organisation. Our IT systems enable effective data processing and the protection of our clients' sensitive and confidential information. We mitigate the inherent risks to the usage of IT systems and the processing and storage of data by network security measures, business continuity planning, controls, planning and monitoring. navAXX S.A. provides and maintains the IT-infrastructure and software in use.

See “Risk Factors - Failures or disruptions in our information technology and other operational systems could have a material adverse effect on our business, results of operations and financial condition”.

Axxion (by navAXX)

navAXX’s legacy information technology infrastructure involves one on-premise data center which is located within the office space of Axxion S.A. in Grevenmacher and an external data center in Contern, Luxembourg, serviced by Visual Online. The on-premise data center is for running production processing on a daily basis, with all customer data being replicated or backed-up, while the external data center is a fully replicated, redundancy and back-up system. Redundancy and backbone systems are installed for all major functions and parts of the infrastructure.

Oaklet

Oaklet's legacy information technology infrastructure is based on data centers in Germany serviced by a professional data-center provider, to enhance the capacity and reliability of the Oaklet's systems and provide security and disaster recovery protection. The data centers are used for running production processing on a daily basis, with all customer data being replicated or backed-up.

Data-Center

Hetzner Online GmbH, a data-center provider certified according to ISO 27001, runs three main servers and one backup server within its data-centers. These servers provide an internal virtual network, with a fronting gateway (Sophos UTM 9.5).

As of the date of this prospectus, an additional server is in the course of being set-up and installed within Hetzer Online GmbH data-centers to run a new proprietary application of Oaklet on a dedicated server.

On-Premise / Frankfurt

For the connection of our offices with our data centers we use of Sophos Appliance UTM 9.5, and our local internet connections are secured by a dedicated firewall and all internal data transfer with the data-center runs via IPsec with AE256 encoding. Additionally the Frankfurt office runs an on-premise Buffalo HD-Storage, which is synchronized regularly.

Clients using this network are MacBooks, a Windows 10 – Notebook and HP EliteSlice desktop PCs with Windows 10 as OS.

On-Premise / Wasserbillig (Luxembourg)

The connection is realized by use of Sophos Appliance UTM 9.5, local internet connections are secured by a dedicated firewall and all internal data transfer with the data-center runs via IPsec with AE256 encoding. Additionally the Wasserbillig office runs an on-premise Buffalo HD-Storage, which is synchronized regularly.

Clients using this network are a Windows 10 – Notebook, a HP EliteSlice desktop PCs with Windows 10 as OS and a desktop PC running on OS Windows 7.

13.13 Employees

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

The average headcount of employees has developed as follows:

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

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

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

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

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

capsensixx AG has no employees as of the date of this prospectus.

13.14 Intellectual Property, Trademarks, Domains and Software

13.14.1 Trademarks

We are the owner of several trademarks, trade names and logos worldwide, including several trademarks for capsensixx, Axxion, navAXX, Oaklet and coraixx. We believe that our core intellectual property rights are adequately protected. Trademarks for the words and the word-and-picture combinations used by our Group companies have been registered, or are in the process of registration, in the countries in which they are located and/or the European Union.

13.14.2 Domains

As of the date of this prospectus, the subsidiaries of the Company have various domains reserved:

Axxion (including Axxion S.A. and navAXX S.A.)

axxion.de, axxion.lu, focon.lu, fondsinform.com, fondsinform.de, multiaxxion.it, navaxx.de, navaxx.eu, navaxx.lu, navaxx.net, peh.at, peh.de, peh-direkt.de, peh-nach-vorne.de, revolution-fund.de, revolutionfund.de, svea-kuschel.de, sveakuschel.de, venova.lu, wpfs.at and wpfs.de.

Oaklet (including Oaklet GmbH and Oaklet S.A.)

agv.lu, aiv-sa.eu, aiv.lu, albert-partner.lu, amarca.de, amarca.eu, amarca.lu, ardilla.lu, capsensixx.de, capsensixx.lu, guardiansegur.lu, oaklet.de, oaklet.eu, oaklet.lu, suncap.lu, verbriefungen.com, verbriefungen.de, verbriefungen.eu and verbriefungen.lu.

13.14.3 Patents

As of the date of this prospectus, we do not hold any patents.

13.15 Material Contracts

The following provides an overview of contracts that are material to the Issuer's business or profitability. Apart from the agreements summarized below or elsewhere in this prospectus there are no other industrial, commercial or financial contracts, which are material to the Issuer's business.

13.15.1 Customers

In 2017 two major customers existed, each of which contributed more than 10% of our total revenue. Both are attributable to the segment fund administration & accounting. In 2016, one major customer existed, which contributed more than 10% to our total turnover, attributable to the segment fund administration & accounting.

In 2015, there were two large customers with revenues contributing more than 10% to our total revenues, attributable to the segment of fund administration & accounting. For more details, please refer to the audited Combined Financial Statements (see F-37 et seqq.).

13.15.2 IT-Services

navAXX S.A. has entered into a software maintenance agreement for a fund accounting software with Profidata AG, Switzerland.

13.15.3 Coraixx

Capsensixx has entered into a letter of intent and an option agreement with INQUENCE GmbH regarding the future business of coraixx GmbH & Co. KG. For further details see “7.2 – Use of Proceeds”.

13.16 Office Space

capsensixx does not own any real estate property. Our companies and subsidiaries have leased offices at various places, as can be seen from the following table:

Lessee	Address	Space (in sqm)
Axxion S.A.	15, rue de Flaxweiler, L-6776 Grevenmacher, Luxembourg	1,806
navAXX S.A.	17, rue de Flaxweiler, L-6776 Grevenmacher, Luxembourg	887
Oaklet S.A.	7, Grand Rue, L-6630 Wasserbillig, Luxembourg	108
Oaklet GmbH	Bettinastrasse 61, 60325 Frankfurt am Main, Germany	160

13.17 Investments

The audited Combined Financial Statements and the unaudited Interim Financial Statements present an amount of €3.5 million invested in listed securities, fund shares which also serve as liquidity reserve. Oaklet GmbH has also invested in a profit participation right amounting to €0.8 million as of 31 December 2017 and amounting to €0.85 million as of 31 March 2018. The increase is a result of a profitable period of the debtor between 31 December 2017 and 31 March 2018. For more details and the valuation methods used, please refer to our audited Combined Financial Statements (see F-37 et seqq.) and our unaudited Interim Financial Statements (see F-3 et seqq.).

We intend to use the net proceeds of the New Shares following the Primary Offering to fund the expansion strategy of coraixx GmbH & Co KGaA under the non-binding letter of intent entered into with INQUENCE on 28 March 2018 and the option agreement entered into by coraixx GmbH & Co. KGaA (in formation) and INQUENCE on 7 June 2018. This expansion will support our operational and business strategy. Based on that letter of intent, the Company intends to acquire 100% of newly issued shares in coraixx subject to and following a successful placement of the New Shares. For further details see “7.2 – Use of Proceeds”. coraixx GmbH & Co KGaA has become the holder of an option to purchase certain assets and licences; as of the date of this prospectus the rights under this option are not exercised.

Furthermore, we expect ongoing investments into IT-infrastructure and proprietary software of the subsidiaries to take place in the future, however no concrete decisions or commitments have been made until the date of this prospectus.

13.18 Insurance Coverage

We maintain a comprehensive insurance program for our businesses and operations. Our insurance program includes a combined directors' and officers' and professional indemnity insurance (including outside directorship liability), comprehensive crime, electronic and computer insurance, and general liability insurance. Our professional indemnity insurance provides coverage against claims arising in connection with services provided by our employees on our behalf, including services provided by our employees as directors of client entities. Pursuant to our standard employment agreements, we typically indemnify our employees for damages arising out of claims made by third parties in connection with the services that our employees provide in good faith to our clients on our behalf, except in the event of gross negligence or wilful misconduct. We believe that we maintain insurance coverage in a manner consistent with customary practices in our industry. We cannot guarantee, however, that we will not incur any losses or be the subject of any claims that exceed the scope of the relevant insurance coverage. We continue to re-assess at each renewal the possibility to optimise our insurance structure taking into account both insurance market conditions and the expansion of our business.

We provide directors' and officers' (“**D&O**”) liability insurance for all members of our Management Board and Supervisory Board, as well as certain other persons within our Group.

With respect to the members of our Management Board and Supervisory Board our D&O liability insurance provides for a deductible in line with the respective provisions of the German Stock Corporation Act (*Aktiengesetz*) and the German Corporate Governance Code. Our D&O liability insurance also covers the managers of our subsidiaries in Germany and abroad as well as certain senior employees. In addition, we have taken out stand-alone insurance policies in each country mainly to fulfil local legal requirements (e.g., property damage and business interruption, automobile, workers compensation and employers liability).

Our insurance coverage, including the maximum coverage amounts and terms and conditions of the policies, are standard for our industry and appropriate. We cannot, however, guarantee that we will not incur any losses or be the subject of claims that exceed the scope of the relevant insurance coverage.

13.19 Legal and Arbitration Proceedings

As a provider of fund, administration and corporate services, we operate in a litigation sensitive environment and the amounts of damages claimed from us can be material.

Where appropriate, we record a provision for legal and arbitration proceedings when there is a sufficient probability that a dispute or claim will result in a loss and the amount of such loss can be reasonably estimated.

During the previous 12 months we have not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware), which may have, or have had in the recent past significant effects on the Issuer and/or Group's financial position or profitability.

13.20 Internal Audit Function

Our internal audit function currently consists of our Head of Internal Audit who reports to our chief executive officer and the Supervisory Board. Like in any company, risk is inherent in the decisions that we take to manage and run our business and in the business processes established to assist in the achievement of our business objectives. Changes in the way we carry out our operations resulting from, for example, the expansion of our business organically or through acquisitions or changes in the regulatory framework of our industry, can place strain on our control mechanisms and become sources of risk. We have established effective risk and control elements in our overall corporate governance framework to mitigate these risks.

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

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

The subsidiaries prepare and discuss periodically risk reports in local risk committees. These reports are also submitted to our Head of Internal Audit who is responsible for preparing a consolidated report for our Management Board.

The role of our internal audit function is to assist our management with an independent review of the effectiveness of our governance, risk management and internal control processes. In addition, our internal audit function advises our management on governance risks and controls, including with respect to potential acquisitions. We have an internal Audit charter which describes the organisation, authority, independence and objectivity of our Internal Audit department.

14. REGULATORY AND LEGAL ENVIRONMENT

Certain of our subsidiaries (the “**Regulated Subsidiaries**” as further specified below) are subject to financial markets regulations and supervision in Luxembourg and Germany (the “**Regulated Jurisdictions**”) and as such require the Regulated Subsidiaries to hold the relevant license(s) from the competent financial regulator in order to conduct its relevant business. Financial markets regulation is both a challenge and opportunity to the Regulated Subsidiaries, which are obliged to continuously review and update their regulatory governance and risk management policies to ensure that license requirements are being met.

Each of the competent regulators requires the respective Regulated Subsidiary to satisfy certain statutory requirements in order to obtain and maintain its regulated status including its relevant regulatory licenses. A business that is subject to financial regulation must be able to demonstrate to the competent regulator on an ongoing basis sufficient means, skill and technical capabilities in relation to the regulated services offered and present an effective regulatory governance and risk management framework appropriate in the light of the offered services. The aim of financial regulation is to protect the financial markets as such and the interests of clients.

Each Regulated Subsidiary must submit regular reports and declarations to the competent regulator in order to maintain the applicable licenses and to enable the relevant regulator to supervise the Regulated Subsidiary. In addition, the respective competent regulator as a general practice conducts periodic visits and consultations with the regulated entity which may focus on specific services or issues or which could have a broader focus, such as for example anti-money laundering (AML). The competent regulator may also conduct an audit of a regulated entity at any time.

Each of the Regulated Subsidiaries is subject to a number of regulatory requirements, such as minimum capital requirements or the holding and maintenance of appropriate insurances (for example Professional Indemnity Insurances) which protect clients against losses suffered by them, the implementation of an adequate internal organisation and of sound risk management systems including internal controls. In addition, and apart from having to employ sufficiently skilled personnel in order to provide the relevant services in the best interest for the clients, each of the Regulated Subsidiaries must be managed by persons meeting the regulatory fit and proper test and demonstrating the necessary knowledge and experience. The shareholders of Regulated Subsidiaries must be reliable and not endanger the proper provision of financial services to customers of the Regulated Subsidiaries. Finally, when providing its services the Regulated Subsidiaries are subject to certain business conduct requirements found in the applicable regulatory laws and jurisprudence, e.g. regarding conflicts of interests.

The aforementioned obligations, which do not represent an exhaustive list of regulatory obligations, produce significant barriers to new market entrants, particularly as the regulatory landscape continues to evolve with cross-border regulation and control.

Specific regulatory requirements that apply to us in our key jurisdictions are set out hereinafter.

14.1 Luxembourg

Certain services that are performed by our subsidiaries Axxion S.A., navAXX S.A. and Oaklet S.A. in Luxembourg (the “**Luxembourg Regulated Subsidiaries**”) are regulated pursuant to the Luxembourg Law of 5 April 1993 on the financial sector, as amended (the “**Luxembourg FS Act**”), the Luxembourg Law of 17 December 2010 relating to undertakings for collective instruments (the “**Luxembourg UCI Law**”) and the Luxembourg Law of 12 July 2013 on alternative investment fund managers (the “**Luxembourg AIF Law**”) (together the “**Luxembourg Regulatory Laws**”) and are subject to supervision by the Luxembourg Commission for the Supervision of the Financial Sector (Commission de Surveillance Secteur Financier, or “**CSSF**”). The Luxembourg Regulated Subsidiaries hold several licenses and authorizations as outlined in the table below. Failure by the Luxembourg Regulated Subsidiaries to comply with the Luxembourg Regulatory Laws and associated rules and regulations may result in criminal and administrative sanctions and fines in the case of significant breaches, or may result in limitations on the activities of or loss of license by the Luxembourg Regulated Subsidiaries, each of which may result in an inability to perform a significant portion of our business in Luxembourg. The Luxembourg Regulatory Laws and associated rules and regulations are from time to time amended and we monitor such developments.

The following table outlines various regulatory licenses held by the Luxembourg Regulated Subsidiaries:

Company Name	Regulated Services	Regulator / Jurisdiction
Axxion S.A.	<ul style="list-style-type: none"> • <i>Management Company</i> according to Chapter 15 of the Luxembourg UCI Law • <i>Alternative Investment Fund Manager</i> according to the Luxembourg AIF Law for „Hedge Funds“, „Fund of Funds“, „Commodity Fund“, „Equity Fund“, „Fixed Income Fund“ and „Other Fund“ 	Commission de Surveillance du Secteur Financier / Grand Duchy of Luxembourg
navAXX S.A.	<p><i>Specialised PFS</i> according to the Luxembourg FS Act:</p> <ul style="list-style-type: none"> • <i>Registrar Agents,</i> • <i>Corporate Domiciliation Agents,</i> • <i>Authorized Family Office not performing actively the Family Office,</i> • <i>Professionals providing Company incorporation and management services,</i> • <i>Administrative Agents of the financial sector,</i> • <i>Client communication Agents, and</i> • <i>Secondary IT systems and communication networks operators of the financial sector</i> 	Commission de Surveillance du Secteur Financier / Grand Duchy of Luxembourg
Oaklet S.A.	<p><i>Investment Firm</i> according to the Luxembourg FS Act:</p> <ul style="list-style-type: none"> • <i>Investment Advisers,</i> • <i>Commission Agents,</i> • <i>Brokers in financial instruments,</i> • <i>Private portfolio managers,</i> • <i>Registrar Agents,</i> • <i>Corporate Domiciliation Agents,</i> • <i>Authorized Family Office actively performing the Family Office,</i> • <i>Professionals providing Company incorporation and management services,</i> • <i>Administrative Agents of the financial sector, and</i> • <i>Client communication Agents</i> 	Commission de Surveillance du Secteur Financier / Grand Duchy of Luxembourg

14.1.1 Requirements

The Luxembourg Regulatory Laws require the Luxembourg Regulated Subsidiaries to comply with prudential, organisational and audit rules. These rules stipulate, for example, that the Luxembourg Regulated Subsidiaries must:

- have sound administrative and accounting procedures, control and safeguard arrangements for electronic data processing, and adequate internal control mechanisms including, in particular, rules for personal transactions by its employees;
- maintain records of its executed transactions, which records must be sufficient to enable the CSSF to monitor the compliance with the relevant prudential rules, to be retained for the periods as set out in the Luxembourg Commercial Code and other laws (such as the Luxembourg Civil Code, the 1915 law on commercial companies as amended from time to time, MiFID I and MiFID II directives as implemented under Luxembourg law, and Law of 12 November 2004 as amended on the fight against money laundering and terrorist financing and associated rules and regulations);

- be adequately structured and organised to minimise the risk of prejudicing its clients' interests as a result of a conflict of interest between the Luxembourg Regulated Subsidiaries and its client or between two clients;
- comply with minimum share capital requirements which, in connection with the different authorisations granted to the Luxembourg Regulated Subsidiaries;
- communicate to the CSSF once a year the identities of the shareholders or members, regardless of whether direct or indirect and regardless of whether natural or legal persons holding, any direct or indirect holding representing 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the Luxembourg Regulated Subsidiaries (the “Luxembourg Qualifying Holding”) in the Luxembourg Regulated Subsidiaries and the amount of those Luxembourg Qualifying Holdings, and inform the CSSF as soon as it becomes aware of any change in such direct or indirect control or holding of the Luxembourg Regulated Subsidiaries as described in Section 14.1.2 below; and
- have its annual accounts audited by one or more approved statutory auditors with adequate professional experience, to be appointed by the management board of the relevant Luxembourg entity.

14.1.2 *Change of control in a Luxembourg Qualifying Holding*

Any natural or legal person who has taken a decision to, directly or indirectly, acquire or dispose of a Luxembourg Qualifying Holding in the Luxembourg Regulated Subsidiaries must notify the CSSF in writing, indicating the size of its intended holding. In addition, such person must notify the CSSF of its intention to increase or reduce its qualifying holding resulting in his percentage of voting rights or share capital exceeding or falling below the 10%, 20%, 33.3% or 50% thresholds, or resulting in the Luxembourg Regulated Subsidiaries ceasing to be its subsidiary.

14.1.3 *Anti-money Laundering Regulations*

The Luxembourg Regulated Subsidiaries must also comply with the professional obligations set forth in the Law of 12 November 2004 as amended on the fight against money laundering and terrorist financing and associated rules and regulations, including, among other things, the obligation to (i) conduct customer due diligence for new and existing clients, as appropriate; (ii) arrange for adequate internal organisation; and (iii) cooperate with the Luxembourg public authorities. Failure to comply with these rules may result in criminal sanctions for the failing Luxembourg Regulated Subsidiaries.

14.1.4 *Reporting and Supervision*

Pursuant to the Luxembourg Regulatory Laws, the Luxembourg Regulated Subsidiaries are subject to certain reporting obligations. They may be subject to reviews and on-site audit processes conducted by the CSSF to verify their compliance with applicable laws, regulations and circulars.

No material issues have been identified as a result of the periodic regulatory visits conducted by the respective regulators in the last five years.

14.2 *Data Protection and Cybersecurity*

We face the risk of breaches of the security of computer systems due to unauthorized access to networks or resources, the introduction of computer viruses or malware, or other forms of cyber-attacks or internet crime. Such breaches could threaten the system integrity and confidentiality of data. To address the threat risk, the Group has expended its resources to modify and enhance protective measures and to investigate and remediate any information security vulnerabilities. Nevertheless, a residual risk remains that such measures may not be effective against all threats. Cybersecurity is growing in importance due to factors such as the increased reliance on capsensixx’s technology environment due to our strategic plans and our intentions specifically with “Digitization & IT-Services”. Neither the Company nor its subsidiaries did suffer a material loss of data to date.

14.3 Germany

Axxion S.A. has notified the German Federal Financial Supervisory Agency (*Bundesanstalt für Finanzdienstleistungsaufsicht* - “BaFin“) to provide the following regulated activities by way of cross-border services under the so called EU passport for fund management companies:

- Portfolio Management for all kinds of undertakings for collective investment in transferable securities (UCITS) according to Art. 6 para. 2 UCITS-Directive (Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS));
- Portfolio and Risk Management for German Special-AIF according to Annex I of the AIFM Directive (Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010); and
- Marketing according to Annex II of the UCITS-Directive.

As a result of the notification under the EU passport, Axxion S.A. may provide the services listed above on a cross-border basis in Germany without the need to obtain a relevant license from BaFin as long as Axxion S.A. is duly licensed by the CSSF for the relevant services. In Germany Axxion S.A. is only subject to the German rules of conduct (in particular the relevant provisions of the German securities trading act (*Wertpapierhandelsgesetz*)) when providing its services to customers based in Germany while questions of internal organisation and capital requirements continue to be governed by the applicable Luxembourg laws and regulations. In regard to the former BaFin is the primarily responsible regulator while in regard to the latter the CSSF continues to be the primarily competent authority.

Oaklet S.A. has notified BaFin to provide the following regulated activities by way of cross-border services under the so called European passport for investment firms pursuant to section 53b German Banking Act (*Gesetz über das Kreditwesen*):

- Reception and transmission of orders in relation to one or more financial instruments (investment brokerage); and
- Investment advice

As a result of the notification under the EU passport, Oaklet S.A. may provide the services listed above on a cross-border basis in Germany without the need to obtain a relevant license from BaFin as long as Oaklet S.A. is duly licensed by the CSSF for the relevant services. In Germany Oaklet S.A. is only subject to the German rules of conduct (in particular the relevant provisions of securities trading act (*Wertpapierhandelsgesetz*)) when providing its services to customers based in Germany while questions of internal organisation and capital requirements continue to be governed by the applicable Luxembourg laws and regulations. In regard to the former BaFin is the primarily responsible regulator while in regard to the latter the CSSF continues to be the primarily competent authority.

Oaklet GmbH is a registered so called tied agent acting in the name, on behalf and for the account of Oaklet S.A.. ‘Tied agents’ are natural or legal persons who provide financial services exclusively in the form of investment brokerage, investment advice and/or placement business as agent act in the name, on behalf and for the account of an investment firm that assumes full and unconditional responsibility for the acts of such agent. As a result of being a registered tied agent of Oaklet S.A., Oaklet GmbH may provide the same services that Oaklet S.A. may provide under the EU passport in Germany without the need to obtain a relevant license from BaFin as long as Oaklet S.A. is duly licensed by the CSSF for the relevant services, maintains the EU passport of services to Germany and assumes full and unconditional responsibility for Oaklet GmbH as its tied agent.

Axxion Deutschland Investmentaktiengesellschaft mit Teilgesellschaftsvermögen is an umbrella fund established under the laws of Germany having appointed Axxion S.A. as external fund management company. As such, Axxion S.A. is providing fund management services to Axxion Deutschland Investmentaktiengesellschaft mit Teilgesellschaftsvermögen and its sub-funds under the EU passport for fund managers described above and is solely responsible for the management of funds that are established as sub-funds of Axxion Deutschland Investmentaktiengesellschaft mit Teilgesellschaftsvermögen. Sub-funds of Axxion Deutschland Investmentaktiengesellschaft mit Teilgesellschaftsvermögen are reserved for investments by professional and semi-professional investors as defined in the German Investment Act (*Kapitalanlagegesetzbuch*).

15. SHAREHOLDER INFORMATION

15.1 Current Shareholder/Selling Shareholder

As at the date of this Prospectus, PEH Wertpapier AG (the Selling Shareholder) holds 100% of our share capital. The business address of the Selling Shareholder is Bettinastrasse 57-59, 60325 Frankfurt am Main.

15.2 Controlling Interest

As of the date of this prospectus, the PEH Wertpapier AG holds more than 30% of the voting rights in the Issuer and is, therefore, considered to hold a controlling interest in the Issuer pursuant to the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*).

Assuming all New Shares are issued in the Primary Offering, assuming all Sale Shares are sold in the Secondary Offering and assuming no over-allotment occurs, the Offering will amount to 875,500 constituting 25.00% of our issued share capital after completion of the Offering. In such scenario, PEH Wertpapier AG would hold upon completion of the Offering 75% of the shares and voting rights of the Issuer.

Assuming all New Shares are issued in the Primary Offering, assuming all Sale Shares are sold in the Secondary Offering, and assuming that an over-allotment occurs in full, the Offering will amount to 986,125 Shares constituting 28.75% of our issued share capital after completion of the Offering. In such scenario, PEH Wertpapier AG would hold upon completion of the Offering 71.25% of the shares and voting rights of the Issuer.

The voting rights of PEH Wertpapier AG do not differ in any respect from the rights attached to any other shares, including the Offer Shares. The limits imposed under German law, in particular the German Stock Corporation Act (*Aktiengesetz*) on the ability of a controlling shareholder to unduly exercise any control have been observed by PEH Wertpapier AG and the Issuer. There are no special provisions in the Articles of Association to ensure that such control is not abused.

16. GENERAL INFORMATION ON THE ISSUER AND THE GROUP

16.1 Formation, Incorporation

The Company is a stock corporation (*Aktiengesellschaft*) incorporated under the laws of Germany and is domiciled in the Federal Republic of Germany. The Company was incorporated by its sole shareholder PEH Wertpapier AG (the Selling Shareholder) in Germany on 10 November 2017 and registered in the commercial register at the local court of Frankfurt am Main on 28 November 2017.

16.2 History of the Company

At the formation of the Company the articles of association provided for a fiscal year from 1 July to 30 June of the following year, whereby the initial fiscal year was a short fiscal year. By means of a resolution of the General Meeting of the Company dated 11 December 2017 the fiscal year of the Company was changed to the calendar year. This change was registered in the commercial register, and thus became effective, on 12 December 2017.

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

16.3 Commercial Name and Registered Office

The Company's statutory seat (*Sitz der Gesellschaft*) is in Frankfurt am Main, Germany, and its registered office is at Bettinastraße 57, 60325 Frankfurt am Main, Germany. The Company is registered with the commercial register of the local court (*Amtsgericht*) of Frankfurt am Main under number HRB 110258.

16.4 Fiscal Year and Duration

The Issuer's fiscal year is the calendar year. The Issuer was established for an unlimited period of time.

16.5 Corporate Purpose

The purpose of the Company is the administration of own assets, in particular the formation of partnerships and corporations, the acquisition and the holding of participations in enterprises of any kind, in Germany and abroad, also in companies, that are providing financial services, that are conducting banking business, that are engaged in the finance administrations, software developments and/or digitization of business processes and/or services of any kind, as well as the administration of these companies and participations.

To the extent legally permitted, the Company may conduct all transactions, that are linked with the purpose of the Company or which appear likely to promote the purpose of the Company directly or indirectly. However, the Company itself does not conduct any business that requires a governmental approval. The Company does in particular neither conduct any banking business within the meaning of Section 1 para. 1 of the German Banking Act (*Gesetz über das Kreditwesen – “KWG”*) nor any financial services within the meaning of Section 1 para. 1a of the German Banking Act (*Gesetz über das Kreditwesen – “KWG”*). Such operations of the Company itself requiring governmental approval is expressly excluded from the purpose of the Company.

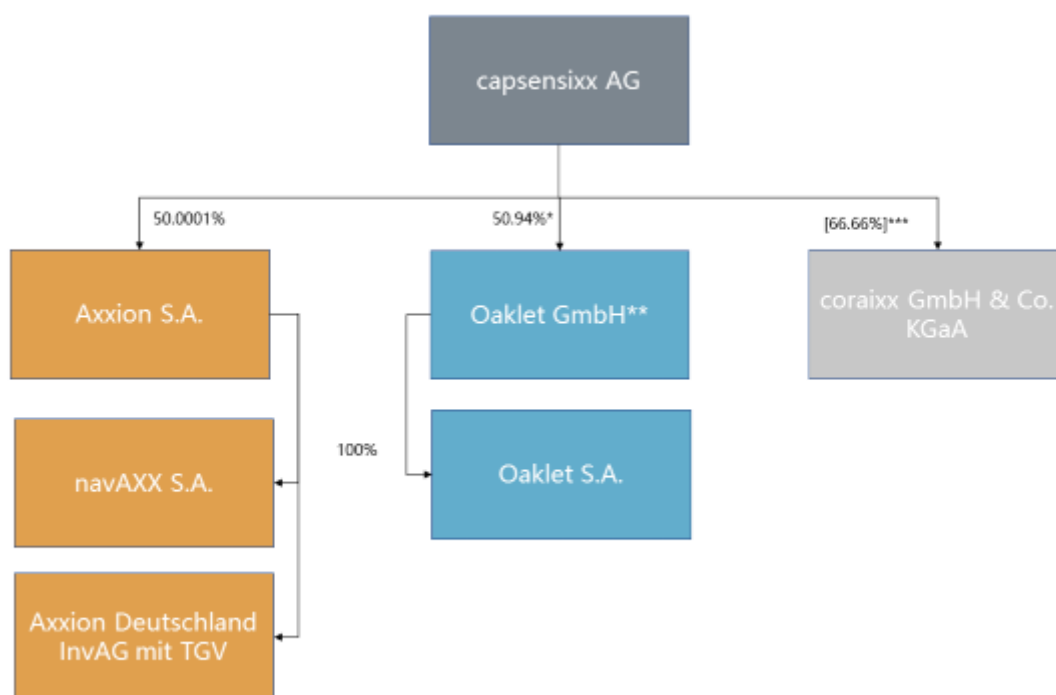
The Company may also establish enterprises, and acquired participations in enterprises, whose business operations require governmental approval, in particular enterprises that are engaged in banking operations and financial services within the meaning of the German Banking Act (*Gesetz über das Kreditwesen – “KWG”*) or comparable provisions of foreign jurisdictions. The Company may combine its holding companies under joint control or may only administrate such participations. The Company may spin-off its business operations to affiliated companies or relinquish its business operations to affiliated companies; the Company may also entirely or partly pursue its corporate purpose indirectly.

16.6 Group Structure

As of the date of this Prospectus, our Group consists of six companies. We continuously review our group structure with a view to optimizing our group structure and to adjust the structure for future growth – if necessary.

The Issuer is the Group's holding company. The Issuer's direct subsidiaries are Axxion S.A., Luxembourg, in which the Issuer holds a stake of approximately 50.0001% of the share capital and voting rights, and Oaklet GmbH, in which the Issuer holds a stake of approximately 50.94% in the registered share capital and the voting rights. Subject to the proceeds from the placement of New Shares the Issuer will furthermore hold 100% of the shares and the voting rights of coraixx GmbH & Co. KGaA, representing an economic interest of approximately 66.66% (for details see "7.2 – Use of Proceeds") . Axxion S.A. holds a 100% stake in navAXX S.A., Luxembourg, and Axxion Deutschland Investmentaktiengesellschaft mit Teilgesellschaftsvermögen. Oaklet GmbH holds a 100% stake in Oaklet S.A., Luxembourg. coraixx GmbH & Co. KGaA has been established and has been filed for registration in the commercial register at the local court of Frankfurt am Main and which is expected to be registered in the commercial register in June 2018.

The structure chart below sets out our Group structure as of the date of this prospectus (percentages rounded):



* Stake without attribution of the treasury share held by Oaklet GmbH.

** 5.42% of the share capital represents a treasury share held by Oaklet GmbH.

*** Approximately 66.66% economic interest. The Issuer holds a 50% participation in coraixx GmbH, the general partner of coraixx GmbH & Co. KGaA, and 100% of the shares in coraixx GmbH & Co. KGaA which in total represents an economic interest of the Issuer in coraixx GmbH & Co. KGaA (in formation) of approximately 66.66%. The start of operations of this participation is subject to obtaining proceeds from the placement of New Shares (see risk factor 3.1.11).

16.7 Significant Subsidiaries

16.7.1 Axxion S.A.

Axxion S.A. is a Luxembourgish stock corporation with registered office in Grevenmacher, Luxembourg, registered in the *Registre de Commerce et des Sociétés Luxembourg* under the commercial register number B82112. The business year of Axxion S.A. corresponds to the calendar year. The share capital/fixed capital of Axxion S.A. amounts to EUR 1,500,000 and is divided into 1,200,000 shares with a nominal value of EUR 1.25 EUR per share.

The Issuer holds 600,001 shares in Axxion S.A. in the nominal amount of EUR 1.25 per share, which corresponds to a share of approx. 50.0001% in the total share capital of Axxion S.A. The other shares in Axxion S.A. are held by fo.con S.A. a company that is controlled by Trivium S.A., a Luxembourg company owned by Thomas Amend, the founder and one of the managing directors of Axxion S.A., and his family. The second managing director of Axxion S.A. is Pierre Girardet.

The object of Axxion S.A. stipulated in the articles of association is the establishment and/or management of Luxembourgian and/or foreign investment funds in the form of Undertakings for Collective Investment in Transferable Securities (UCITS) pursuant to amended Directive 85/611/EEC and in the form of Undertakings for Collective Investments (UCI) not falling within the scope of said Directive as well as Luxembourgian and/or foreign Alternative Investment Funds (AIF) pursuant to Directive 2011/61/EU. The management task of UCITS, UCI, and AIF includes the activities specified in Annex II of the law dated December 17, 2010 or in Annex I of the law dated July 12, 2013, respectively, and thus in particular:

- the investment management, which includes the portfolio management as well as the risk management. In this connection, Axxion S.A. can give notices and instructions with regard to investments to be made, conclude agreements, purchase, sell, trade, and transfer all kinds of securities and other types of assets for the account of the UCITS, UCI, and AIF managed by it, exercise all voting rights in connection with securities which constitute the assets of the UCITS, UCI, and AIF for the account of the UCITS, UCI, and AIF managed by it. This list is not conclusive.
- administrative tasks relating to UCITS, UCI, and AIF, in particular the portfolio evaluation and price fixing for the stocks and/or shares of the UCITS, UCI, and AIF, the record-keeping for the UCITS, UCI, and AIF, the keeping and storage of transaction records. This list is not conclusive.
- the marketing/distribution (*Vertrieb*) of stocks and/or shares of UCITS, UCI, and AIF in Luxembourg and/or abroad.
- activities in connection with the assets of the managed AIF which include services necessary to fulfill the fiduciary duties.

Axxion S.A. holds all shares in navAXX S.A., a stock corporation under Luxembourg law, with registered office at Grevenmacher, Luxembourg, and all shares in Axxion Deutschland Investmentaktiengesellschaft mit Teilgesellschaftsvermögen, an investment stock corporation (*Investmentaktiengesellschaft*) with compartments under German law, with registered office at Frankfurt am Main, Germany. Axxion holds 99.53% of the fund shares of Axxion Revolution Fund – ONE, Grevenmacher, Luxembourg, which is managed by Axxion S.A. and used for the management of own liquidity of Axxion.

16.7.2 Oaklet GmbH

Oaklet GmbH is a German limited liability company (*Gesellschaft mit beschränkter Haftung; GmbH*), with registered office in Frankfurt am Main, registered in the commercial register of the local court (*Amtsgericht*) of Frankfurt am Main under HRB 77985. The business year of Oaklet GmbH corresponds to the calendar year. The share capital of Oaklet GmbH amounts to EUR 63,700.

The Issuer holds a share in Oaklet GmbH bearing serial no. 6 in the nominal amount of EUR 32,450.00, which corresponds to a share of approximately 50.94% in the share capital of Oaklet GmbH. The other shares in Oaklet GmbH are either directly or indirectly held by the managing directors of Oaklet GmbH, Sven Ulbrich, Fabian Föhre and Klaudius Sosnik, and one share (with a nominal value of EUR 3,450.00) is held by Oaklet GmbH itself as treasury share.

Oaklet GmbH was established on 29 May 2006.

The object of Oaklet GmbH stipulated in the articles of association is

- the trade with financial instruments in its own name and on its own account and not as a service for third parties;
- the consulting with respect to investments by means of financial instruments;
- the participation in companies;
- the acquisition, management, encumbrance, purchase, and sale of real estate;
- the investment and acquisition brokerage relating to shares in investment assets issued by a (investment) management company or to foreign investment shares, which can be publicly marketed pursuant to the German Investment Act (*Investmentgesetz*). With regard to the brokerage of investment funds, the Company offers investment and acquisition brokerage within the meaning of Section 1 para. 1a sentence 2 nos. 1 and 2 of the German Banking Act (*Kreditwesengesetz; KWG*) with regard to shares in investment assets issued by an (investment) management company and/or to foreign investment participations that can be publicly marketed pursuant to the Investment Act, for the companies specified in Section 2 (6) Sentence 1 No. 8 KWG. When providing such financial services, the Company is not authorized to obtain ownership or possession of customer's money or shares. Special assets with additional risks pursuant to Section 112 of the German Investment Act (so-called "single hedge funds") are not brokered by Oaklet GmbH.

Oaklet GmbH holds all shares in Oaklet S.A., a stock corporation under Luxembourg law, with registered office at Wasserbillig, Luxembourg.

16.7.3 coraixx GmbH & Co. KGaA

coraixx GmbH & Co. KGaA has been founded on 28 May 2018. It is a German corporation limited by shares (*Kommanditgesellschaft auf Aktien*), with registered office in Frankfurt am Main, and has been filed for registration in the commercial register at the local court of Frankfurt am Main and is expected to be registered in the commercial register in June 2018. coraixx GmbH & Co. KGaA is managed by its sole general partner coraixx GmbH, whose managing directors are Sven Ulbrich and Marko Meißner.

16.8 Auditors

The Issuer appointed Baker Tilly GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Germany, as the auditor of (i) our German language unconsolidated financial statements prepared in accordance with the German generally accepted accounting principles of the German Commercial Code (*Handelsgesetzbuch*) as of and for the year ended 31 December 2017, and (ii) our English language combined financial statements prepared in accordance with IFRS as of and for the years ended 31 December 2017, 31 December 2016 and as 31 December 2015. Baker Tilly GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft has issued unqualified German language audit opinions (*uneingeschränkte Bestätigungsvermerke*) on the unconsolidated financial statements as of and for the year ended 31 December 2017, and (ii) our English language combined financial statements prepared in accordance with IFRS as of and for the years ended 31 December 2017, 31 December 2016 and as 31 December 2015 and has issued an English language unqualified independent auditor's report on the combined financial statements prepared in accordance with IFRS as of and for the years ended 31 December 2017, 31 December 2016 and as 31 December 2015. The Issuer's unaudited interim financial statements as of and for the three months ended 31 March 2018 have been prepared in accordance with IFRS on interim financial reporting (IAS 34).

Baker Tilly GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, is a member of the Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin, Germany.

16.9 Announcements, Listing and Paying Agent

In accordance with the Articles of Association, the announcements of the Issuer are published in the German Federal Gazette (*Bundesanzeiger*), unless otherwise required by mandatory provisions of law.

The Issuer is entitled in accordance with Section 49 para. 3 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) to provide information to the shareholders by way of remote data transmission.

In accordance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*), announcements in connection with the approval of this prospectus or any supplements thereto will be published in the form of publication provided for in this prospectus, in particular through publication on our website (www.capsensixx.com). Printed copies of this prospectus and any supplements thereto are available at the Issuer's office: capsensixx AG, Bettinastraße 57, 60325 Frankfurt am Main.

ICF BANK AG is the listing agent with respect to the listing and admission of the Shares on the Frankfurt Stock Exchange (in such capacity the "**Listing Agent**"). The mailing address of the Listing Agent is Kaiserstraße 1, 60311 Frankfurt am Main, Germany.

Fintech Group Bank AG is the paying agent with respect to the Shares on Frankfurt Stock Exchange (in such capacity the "**Paying Agent**"). The mailing address of the paying agent is Hammfelddamm 4, 41460 Neuss, Germany.

17. DESCRIPTION OF THE ISSUER'S SHARE CAPITAL AND APPLICABLE REGULATIONS

17.1 Provisions Relating to the Share Capital of the Issuer

17.1.1 *Current and Future Share Capital; Shares*

On the date of this Prospectus, our registered share capital pursuant to the Articles of Association amounts to € 3,100,000 and is divided into 3,100,000 Shares, with a nominal value of €1.00 each.

On the date of this Prospectus, no Shares are held by the Company. All issued Shares are fully paid-up and are subject to, and have been created under, the laws of Germany.

Assuming a full subscription of the New Shares the Issuer will issue an additional 330,000 ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) from the authorized capital (*see 17.1.3 "Authorized Capital"*). In such event the Issuer's share capital will amount up to EUR 3,430,000 and be divided into 3,430,000 ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*).

17.1.2 *Development of the Share Capital*

As of the incorporation date of the Company, the total amount of issued and outstanding shares amounted to €100,000, divided in 100,000 shares of €1.00 each.

Following a capital increase against contribution in-kind of the participation in Axxion S.A. and Oaklet GmbH which became legally effective on 18 April 2018 (for more information see 16.2 "*History of the Company*") the total amount of issued and outstanding shares amounts to €3,100,000, divided in 3,100,000 shares of €1.00 each. The new shares issued by means of that capital increase in kind entitle to dividends of the Company as from 1 January 2018.

17.1.3 *Authorized Capital*

As of the date of this prospectus, the Issuer has one authorized capital pursuant to Section 4 para. 2 of the Articles of Association.

Pursuant to Section 4 para. 2 of the Articles of Association, the Management Board is authorized to increase the registered share capital of the Issuer until 20 March 2023, with the consent of the Supervisory Board, once or repeatedly, by up to a total amount of €1,550,000.00 through the issuance of new ordinary bearer shares (shares with no-par value) against contributions in cash and/or in kind ("**Authorized Capital**").

In principle, the shareholders shall be offered subscription rights.

However, the shareholders' subscription right are excluded for one or several capital increases in the context of the Authorized Capital, (i) if the utilization of the Authorized Capital occurs by the end of 31 December 2018 in order to offer the new shares by way of a public offering in the Federal Republic of Germany and/or in the Grand Duchy of Luxembourg and by way of a private placement in other jurisdictions outside the Federal Republic of Germany and/or the Grand Duchy of Luxembourg at an offer price to be determined by the Management Board which requires the consent of the Supervisory Board, in each case together with a listing of the Company's shares at a German stock exchange (Initial Public Offering); and/or (ii) if the utilization of the Authorized Capital occurs by the end of 31 December 2018 in order to fulfill an option for the acquisition of additional new shares (Greenshoe Option) agreed on with the issuing bank or the issuing banks in the context of an Initial Public Offering of the Company if the issuing bank or the issuing banks is/are provided with existing shares of existing shareholders in the course of a potential over-allotment of shares and the issuing bank or the issuing banks does/do not acquire a sufficient amount of shares in the market in the course of stabilization measures in order to reduce these securities lendings; the issue price shall correspond with the offer price of the shares of the Company in the IPO.

Moreover, the Management Board is authorized to exclude the shareholders' subscription right with the consent of the Supervisory Board in the event of cash capital increases in the context of the Authorized Capital,

provided that the issue price of the new shares is not significantly lower than the stock exchange price. The total of shares issued under exclusion of the subscription right pursuant to Section 186 para. 3 sentence 4 of the German Stock Corporation Act (*Aktiengesetz*) must in each case not exceed an amount of 10% of the registered share capital. Decisive for the calculation of the 10% threshold shall be the amount of the registered share capital at the time the authorization comes into effect by registration of the amendment to the Articles of Association in the commercial register or – if this value is lower – the amount of the registered share capital at the time this authorization is utilized. Should, during the term of this authorization until its utilization, other authorizations (beyond the authorization pursuant to Section 4 para. 2 of the Company's Articles of Association – the Authorized Capital) for issuing or selling shares of the Company or for issuing rights that enable or obligate to the subscription of shares of the Company, be utilized and the subscription right is excluded in this context pursuant to or in accordance with Section 186 para. 3 sentence 4 of the German Stock Corporation Act (*Aktiengesetz*), this shall be counted towards the aforementioned 10% threshold.

Furthermore, the Management Board shall be authorized to exclude the subscription right with the consent of the Supervisory Board, in the event that the capital increase in the context of the Authorized Capital is made against contributions in kind for the purpose of company mergers or the acquisition of companies, businesses, parts of businesses, or of participations in companies or of other assets, including claims against the Company or any of its group companies.

Moreover, the Management Board shall be authorized to exclude fractional amounts from the shareholders' subscription right subject with the consent of the Supervisory Board.

The new shares may also be taken over by certain credit institutions or companies active pursuant to Section 53 para. 1 sentence 1 or Section 53b para. 1 sentence 1 or 7 of the German Banking Act (*Gesetz über das Kreditwesen*) with the obligation to offer them to the shareholders (indirect subscription right).

The Management Board shall decide on the further details of the capital increase and its implementation including the contents of the share rights as well as the further conditions of the issue of shares and the issue price subject to the consent of the Supervisory Board.

The Supervisory Board is authorized to adjust the wording of the Articles of Association accordingly after the utilization of the Authorized Capital or after expiry of the period for the utilization of the Authorized Capital.

In the event of an increase of the registered share capital, the participation of the new shares in profits can be determined in deviation from the provisions of Section 60 German Stock Corporation Act (*Aktiengesetz*).

17.1.4 Conditional Capital

As of the date of this prospectus the Company has neither a conditional capital nor an authorization to issue convertible bonds or other instruments nor an authorization to purchase and sell treasure shares.

17.2 General Provisions Governing a Liquidation of the Issuer

Apart from liquidation as a result of insolvency proceedings, the Issuer may be liquidated only with a vote of 75% or more of the share capital represented at the general shareholders' meeting at which such vote is taken. Pursuant to the German Stock Corporation Act (*Aktiengesetz*), in the event of the Issuer's liquidation, any assets remaining after all of the Issuer's liabilities have been settled will be distributed among the shareholders in proportion to their shareholdings. The German Stock Corporation Act (*Aktiengesetz*) provides certain protections for creditors that must be observed in the event of liquidation.

17.3 General Provisions Governing a Change in the Share Capital

Under the German Stock Corporation Act (*Aktiengesetz*), a German stock corporation requires a resolution of the shareholders' meeting to be passed by a majority of at least 75% of the share capital represented at the vote to increase its share capital. However, Section 17 para. 2 of the Articles of Association provides that resolutions of the shareholders' meeting, in so far as a majority of the share capital represented at the vote is necessary, shall be passed with a simple majority of the share capital represented at the voting, unless a higher

majority is required by mandatory law. This means that for an ordinary increase of the Company's share capital a simple majority of the share capital represented at the vote suffices if no preference shares without voting rights are issued and subscription rights are not excluded; otherwise at least 75% of the share capital represented at the vote is needed if preference shares without voting rights are issued or if subscription rights are excluded, to pass such a resolution.

Shareholders can also create authorized capital. This requires a resolution passed by a majority of at least 75% of the share capital represented at the vote, authorizing the Management Board to issue a specific quantity of shares within a period not exceeding five years. The nominal amount may not exceed half of the share capital existing at the time the authorization becomes valid (i.e. is registered with the commercial register).

In addition, shareholders can create conditional capital by a resolution passed with a majority of at least 75% of the share capital represented at the vote for the purposes of (i) issuing shares to holders of convertible bonds or other securities granting a right to subscribe for shares; (ii) issuing shares as consideration in a merger with another company; or (iii) issuing shares offered to managers and employees. The nominal amount of conditional capital may not exceed 10% of the share capital at the time the resolution is passed in cases where it is created to issue shares to managers and employees, and may not exceed 50% in all other cases. Resolutions to reduce the share capital require a majority of at least 75% of the share capital represented at the voting in the General Meeting.

The General Meeting may resolve to reduce our issued and outstanding share capital by cancelling our Shares, or by amending the Company's Articles of Association to reduce the nominal value of our Shares. A resolution to cancel Shares may only relate to Shares held by the Company itself (or of which we hold depository receipts). A reduction of the nominal value of our Shares, whether without redemption or against partial repayment on the shares or upon release from the obligation to pay up the Shares, must be made pro rata on all Shares concerned. This pro rata requirement may be waived if all shareholders concerned so agree. The resolution to reduce the Company's share capital can be adopted by the General Meeting with a majority of at least 75% of the share capital represented at the voting in the General Meeting. Under specific circumstances stipulated in the German Stock Corporation Act a reduction of the Company's share capital by redemption of Shares may, if the specific legal requirements are met, also be adopted by the General Meeting with a simple majority of the votes cast.

In addition, German law contains detailed provisions regarding the reduction of capital. A resolution to reduce our issued share capital shall not take effect as long as creditors have legal recourse against the resolution.

See "Taxation - Taxation in Germany - Dividend Withholding Tax" in this Prospectus for a discussion of certain aspects of taxation of a reduction of share capital.

17.4 General Provisions Governing Subscription Rights

In principle, Section 186 of the German Stock Corporation Act (*Aktiengesetz*) grants to all shareholders the right to subscribe for new shares to be issued in a capital increase. The same applies to convertible bonds, bonds with warrants, profit participation rights and participating bonds. Subscription rights are freely transferable and may be traded on German stock exchanges for a prescribed period before the deadline for subscription expires. However, shareholders do not have a right to request admission to trading for subscription rights. The general shareholders' meeting may, subject to a majority of at least 75% of the share capital represented at the vote, resolve to exclude subscription rights. Exclusion of shareholders' subscription rights also requires a report from the management board of the Issuer that justifies and demonstrates that the Company's interest in excluding subscription rights outweighs the interest of the shareholders being granted subscription rights. Excluding shareholders' subscription rights when new shares are issued is specifically permissible where:

- the Company is increasing share capital against cash contributions;
- the amount of the capital increase does not exceed 10% of the share capital at issue; and
- the price at which the new shares are being issued is not materially lower than the stock exchange price.

17.5 Exclusion of Minority Shareholders

Under 327a et seq. of the German Stock Corporation Act (*Aktiengesetz*), which governs the so-called “squeeze-out under stock corporation law”, upon the request of a shareholder holding 95% of the share capital, the shareholders’ meeting of a stock corporation may resolve to transfer the shares of minority shareholders to the majority shareholder against the payment of adequate compensation in cash. The amount of the cash payment that must be offered to minority shareholders has to reflect “the situation of the company” at the time the shareholders’ meeting adopts the resolution. The amount of the cash payment is based on the full value of the company, which is generally determined using the capitalized earnings method. The minority shareholders are entitled to file for a valuation proceeding (*Spruchverfahren*), in the course of which the fairness (*Angemessenheit*) of the cash payment is reviewed.

Under the German Transformation Act (*Umwandlungsgesetz*), an alternative for squeezing out minority shareholders has been introduced. A majority shareholder holding at least 90% of a stock corporation’s share capital can require the shareholders’ meeting to resolve that the minority shareholders must transfer their stock to the majority shareholder against the payment of adequate compensation in cash, provided that (i) the majority shareholder is a stock corporation (*Aktiengesellschaft* - AG), a partnership limited by shares (*Kommanditgesellschaft auf Aktien* - KGaA), or a European stock corporation (SE) having its seat in Germany; and (ii) the squeeze-out is performed to facilitate a merger under the German Transformation Act (*Umwandlungsgesetz*) between the majority shareholder and the stock corporation. The shareholders’ meeting approving the squeeze-out must take place within three months of the conclusion of the merger agreement. The procedure for the squeeze-out is essentially identical to the “squeeze-out under stock corporation law” described above, including the minority shareholders’ right to have the appropriateness of the cash compensation reviewed.

Under Sections 39a and 39b of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*), in the case of a so-called “squeeze-out under takeover law”, an offeror holding at least 95% of the voting share capital of a target company (as defined in the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*)) after a takeover bid or mandatory offer, may, within three months of the expiry of the deadline for acceptance of the offer, petition the Regional Court (*Landgericht*) of Frankfurt am Main for a court order transferring the remaining voting shares to itself against the payment of adequate compensation. A resolution passed by the shareholders’ meeting is not required. The consideration paid in connection with the takeover or mandatory bid is considered adequate if the offeror has obtained at least 90% of the share capital subject to the offer. The nature of the compensation must be the same as the consideration paid under the takeover bid or mandatory offer; a cash alternative must be offered in any event. In addition, after a takeover bid or mandatory offer, shareholders in a target company who have not accepted the offer may do so up to three months after the deadline for acceptances has expired pursuant to Section 39c of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*), provided the offeror is entitled to petition for the transfer of the outstanding voting shares in accordance with Section 39a of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*). The provisions for a squeeze-out under stock corporation law cease to apply once an offeror has petitioned for a squeeze-out under takeover law, and only apply again when these proceedings have been definitively completed.

Under Section 319 et seq. of the German Stock Corporation Act (*Aktiengesetz*), the shareholders’ meeting of a stock corporation may vote for integration (*Eingliederung*) with another stock corporation that has its registered office in Germany, provided the prospective parent company holds at least 95% of the shares of the company to be integrated. The former shareholders of the integrated company are entitled to adequate compensation, which, generally, must be provided in the form of shares in the parent company. Where the compensation takes the form of shares in the parent company, it is considered appropriate if the shares are issued in the same proportion as the shares the parent company would have been issued per share in the integrated company if a merger had taken place. Fractional amounts may be paid out in cash.

17.6 Shareholder Notification Requirements; Mandatory Takeover Bids; Directors’ Dealings

Once the Issuer’s shares are admitted to trading on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), it will be subject to the provisions of the German Securities Trading Act (*Wertpapierhandelsgesetz*) governing disclosure requirements for significant shareholdings, the Market

Abuse Regulation (EU) No. 596/2014 (“**MAR**”) governing, among other things, directors’ obligations to disclose transactions in the Issuer’s shares, debt instruments, or related financial instruments, and the provisions of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*).

Pursuant to Section 33 para 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*), anyone who acquires, sells or whose shareholding resulting from shares of the Issuer which are held by the party subject to reporting obligations in any other way reaches, exceeds or falls below 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the total number of voting rights in the Issuer, as an issuer whose country of origin (*Herkunftsstaat*) is Germany, is required to notify the Issuer and BaFin accordingly at the same time. Notifications must be submitted without undue delay, and no later than within four trading days. The four-day notification period starts at the time the person or entity subject to the notification requirement has knowledge of or, in consideration of the circumstances, should have had knowledge of his proportion of voting rights reaching, exceeding or falling below the aforementioned thresholds. The German Securities Trading Act (*Wertpapierhandelsgesetz*) contains a conclusive presumption that the person or entity subject to the notification requirement has knowledge two trading days after such an event occurs. Moreover, a person or entity is deemed to already hold shares as of the point in time such person or entity has an unconditional and due claim of transfer related to such shares pursuant to Section 33 para 3 of the German Securities Trading Act (*Wertpapierhandelsgesetz*). In the case that a threshold has been reached or crossed due to a change in the total number of voting rights, the notification period starts at the time the person or entity subject to the notification requirement has knowledge about such change, or upon the publication of the revised total number of voting rights by the Issuer, at the latest.

In connection with these requirements, Section 34 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) contains various attribution rules. For example, voting rights attached to shares held by a subsidiary are attributed to its parent company. Similarly, voting rights attached to shares held by a third party for the account of a person or entity are attributed to such person or entity. Voting rights which a person or entity is able to exercise as a proxy according to such person’s or entity’s discretion are also attributed to such person or entity. Further, any coordination by a person or entity with a third party on the basis of an agreement or in any other way generally results in an attribution of the full amount of voting rights held by, or attributed to, the third party as well as to such person or entity. Such acting in concert generally requires a consultation on the exercise of voting rights or other efforts designed to effect a permanent and material change in the business strategy of the Issuer. Accordingly, the exercise of voting rights does not necessarily have to be the subject of acting in concert. Coordination in individual cases, however, is not considered as acting in concert.

Similar obligations to notify the Issuer and the BaFin apply pursuant to Section 38 para. 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) to anyone who reaches, exceeds or falls below the aforementioned thresholds, except for the 3% threshold, by directly or indirectly holding instruments either (i) giving their holder the unconditional right (when due) or discretion to acquire already issued shares of the Issuer to which voting rights are attached, or (ii) relating to such shares and having a similar economic effect, whether or not conferring a right to a physical settlement. Pursuant to Section 38 para. 2 of the German Securities Trading Act (*Wertpapierhandelsgesetz*), such instruments include, in particular, transferable securities, options, futures, swaps, forward rate agreements and contracts of difference.

In addition, anyone whose aggregate number of voting rights pursuant to Section 33 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) and instruments pursuant to Section 38 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) reaches, exceeds or falls below the aforementioned thresholds, except for the 3% threshold, has to notify the Issuer and the BaFin pursuant to Section 39 para. 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*).

If any of the aforementioned reporting obligations are triggered, the notifying person or entity is required to fully complete the notification form set forth as an annex to the Securities Trading and Insider List Regulation (*Wertpapierhandelsanzeige- und Insiderverzeichnisverordnung*). The notice can be submitted either in German or in English, in writing or via fax. The notice must include, irrespective of the event triggering the notification, (i) the number and proportion of voting rights, (ii) the number and proportion of instruments and (iii) the aggregate number and proportion of voting rights and instruments held by or attributed to the notifying person or entity. In addition, the notice must include certain attribution details, among other things, the first

name and surname of the notifying individual or the legal name, seat and state of a notifying entity, the event triggering the notification, the date on which the threshold was reached or crossed and, if voting rights or instruments are attributed.

As a domestic issuer, the Issuer must publish such notices without undue delay, but no later than three trading days of receipt, via media outlets or outlets where it can be assumed that the notice will be disseminated in the entire EU and in the non-EU Member States that are parties to the agreement on the EEA. The Issuer must also transmit the publication to the BaFin, specifying the time of publication and the media used and to the German Company Register (*Unternehmensregister*) for storage.

There are certain exceptions to the notice requirements. For example, a company is exempt from its notification obligation if its parent company, or if its parent company is itself a subsidiary, the parent's parent company, has filed a group notification pursuant to Section 37 para. 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*). Moreover, shares or instruments held by a credit institution or a credit securities services company with a registered seat in the EU or in a non-EU Member State that is a party to the agreement on the EEA are not taken into account for determining the notification obligation or proportion of voting rights held, provided (i) they are held in such credit institution's or credit securities services company's trading book, (ii) they amount to no more than 5% of the voting shares, do not grant the right to acquire more than 5% of the voting shares, or do not have a similar economic effect and (iii) it is ensured that the voting rights held by them are not exercised or otherwise made use of.

If a shareholder fails to file a notice or provides false information with regard to shareholdings pursuant to Sections 33 and 34 of the German Securities Trading Act (*Wertpapierhandelsgesetz*), the rights attached to shares held by or attributed to such shareholder, particularly voting and dividend rights, do not exist for the duration of the failure. This does not apply to entitlements to dividend and liquidation gains if the notifications were not omitted wilfully and have since been made. If the shareholder fails to disclose the correct proportion of voting rights held and the shareholder acted wilfully or was grossly negligent, the rights attached to shares held by or attributed to such shareholder do not exist for a period of six months after such shareholder has correctly filed the necessary notification, except if the variation in the proportion of the voting rights notified in the preceding incorrect notification was less than 10% of the actual voting right proportion and no notification with respect to reaching, exceeding or falling below the aforementioned thresholds pursuant to Section 33 of the German Securities Trading Act (*Wertpapierhandelsgesetz*) was omitted. The same rules apply to shares held by a shareholder, if such shareholder fails to file a notice or provides false information with regard to holdings in instruments or aggregate holdings in shares and instruments pursuant to Sections 38 para. 1, 39 para. 1 of the German Securities Trading Act (*Wertpapierhandelsgesetz*). In addition, a fine may be imposed for failure to comply with notification obligations.

A shareholder who reaches or exceeds the threshold of 10% of the voting rights, or a higher threshold, is obligated to notify the Issuer within 20 trading days regarding the objective being pursued through the acquisition of voting rights, as well as regarding the source of the funds used for the purchase. Changes in those objectives must also be reported within 20 trading days. In calculating whether the 10% threshold has been reached or exceeded, the attribution rules mentioned above apply.

Furthermore, pursuant to the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*), every person whose share of voting rights reaches or exceeds 30% of the voting shares of the Issuer is obligated to publish this fact on the internet and by means of an electronically operated system for disseminating financial information, unless an exemption from this obligation has been granted by the BaFin. If no exemption has been granted, this publication has to be made within seven calendar days and include the total amount of voting rights held by and attributed to such person and, subsequently, such person is further required to submit a mandatory public tender offer to all holders of shares in the Issuer.

The German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) contains a series of provisions intended to ensure the attribution of shareholdings to the person who actually controls the voting rights attached to the shares, comparable to the attribution rules described above for shareholdings pursuant to Section 34 of the German Securities Trading Act (*Wertpapierhandelsgesetz*). If a bidder fails to give notice of reaching or exceeding the 30% threshold or fails to submit the mandatory tender offer, the bidder is barred from exercising the rights associated with these shares, including voting rights, for the duration of the delinquency. In case of wilful failure to publish the notice of acquisition of control over another

company or submission of a mandatory tender offer or wilful failure to subsequently send those notices in a timely fashion, the bidder is also not entitled to dividends. A fine may also be imposed in case of non-compliance with the notification obligations described above.

Persons discharging managerial responsibilities at the Issuer within the meaning of the MAR, such as the members of the Management Board and the Supervisory Board, have to notify the Issuer and the BaFin promptly and no later than three business days following transactions exceeding a total of EUR 5,000 per annum in the Issuer's shares, debt instruments, or in related financial instruments undertaken for their own account (so-called managers' transactions). This also applies to persons or entities that are closely associated with such executives within the meaning of the MAR. The Issuer shall ensure that such managers' transactions notifications are made public promptly and no later than three business days after the transaction.

18. CORPORATE BODIES AND FOUNDER

18.1 Overview

The Issuer's governing bodies are the Management Board (*Vorstand*), the Supervisory Board (*Aufsichtsrat*) and the shareholders' meeting (*Hauptversammlung*) ("**General Meeting**"). The powers of these governing bodies are determined by the German Stock Corporation Act (*Aktiengesetz*), the Issuer's Articles of Association and the internal rules of procedure of both the Supervisory Board and the Management Board.

The Management Board is responsible for managing the Issuer in accordance with applicable law, the Issuer's Articles of Association and its internal rules of procedure, including the schedule of responsibilities. The Management Board represents the Issuer in dealings with third parties.

As set out in the German Stock Corporation Act (*Aktiengesetz*), the Supervisory Board advises and oversees the Management Board's administration of the Issuer, but is not itself authorized to manage the Issuer.

Simultaneous management and supervisory board membership in a German stock corporation is not permitted under German law since the supervisory board's function is to supervise the management of the business by the management board. However, in exceptional cases and for an interim period a member of the supervisory board may take a vacant seat on the management board of the same stock corporation. During this period, such individual may not perform any duties for the supervisory board. Such stand-in arrangement is limited in time for a maximum period of one year.

Each member of the Management Board and Supervisory Board owes a duty of loyalty, duty of legality and duty of care to the Issuer. Each member of these bodies must consider a broad spectrum of interests, particularly those of the Issuer and its shareholders, employees and creditors. In addition, the Management Board must also take into consideration the shareholders' rights to equal treatment and equal access to information. If members of the Management Board or Supervisory Board breach their duties, they may be individually or jointly and severally liable with the other members of the Management Board or the Supervisory Board to the Issuer for compensatory damages, as the case may be.

Under German law, a shareholder generally has no right to proceed directly against members of the Management Board or Supervisory Board if he believes they have breached their duties to the Issuer. In general, only the Issuer has the right to enforce claims for damages against the members of the Management Board or Supervisory Board. With respect to claims against Supervisory Board members, the Issuer is represented by the Management Board, and with respect to claims against members of the Management Board, the Issuer is represented by the Supervisory Board. Under a decision of the German Federal Supreme Court (*Bundesgerichtshof*), the Supervisory Board is required to assert damages claims against the Management Board if they are likely to succeed unless significant interests of the Issuer conflict with the pursuit of such claims and outweigh the reasons for bringing such claim. If the governing body authorized to represent the Issuer decides not to pursue a claim, the Issuer's claims for damages against members of the Management Board or Supervisory Board must nevertheless be asserted if the shareholders' meeting adopts a resolution to this effect by a simple majority. The shareholders' meeting may appoint a special representative (*besonderer Vertreter*) to assert the claims. Shareholders whose shares cumulatively make up 10% of the share capital or a pro rata share of EUR 1,000,000 may also petition the court to appoint a special representative. In addition, the shareholders' meeting may appoint special auditors (*Sonderprüfer*) to audit transactions, particularly management transactions, by simple majority vote. If the shareholders' meeting rejects a motion to appoint a special auditor, the court must appoint a special auditor upon the petition of shareholders whose shares cumulatively constitute 1% of the share capital at the time the petition is filed or constitute a pro rata share of EUR 100,000 if facts exist that justify the suspicion that the transaction was accompanied by dishonesty or gross violations of the law or the articles of association. If the shareholders' meeting appoints a special auditor, the court must appoint another special auditor upon the petition of shareholders whose shares cumulatively constitute 1% of the share capital at the time the petition is filed or constitute a pro rata share of EUR 100,000 if this appears necessary due to the identity of the special auditor who was appointed.

Shareholders and shareholder associations can solicit other shareholders to file a petition, jointly or by proxy, for a special audit, for the appointment of a special representative, or to convene a shareholders' meeting or exercise voting rights in a shareholders' meeting in the shareholders' forum of the German Federal Gazette (*Bundesanzeiger*), which is also accessible via the website of the German Company Register (*Unternehmensregister*). If there are facts that justify the suspicion that the Issuer was harmed by dishonesty or a gross violation of law or the articles of association, shareholders who collectively hold 1% of the share capital or a pro rata share of EUR 100,000 may also, under certain further conditions, seek damages from members of the Issuer's governing bodies in their own names through court proceedings seeking leave to file a claim for damages. Such claims, however, become inadmissible if the Issuer itself files a claim for damages.

The Issuer may only waive or settle claims for damages against members of the Management Board or Supervisory Board three years after such claims arose if the shareholders grant their consent at the shareholders' meeting by simple majority vote unless a minority of the shareholders whose shares cumulatively constitute 10% of the share capital objects to the minutes.

Under German law, individual shareholders and all other persons are prohibited from using their influence on the Issuer to cause a member of the Management Board or the Supervisory Board to take an action detrimental to the Issuer. A shareholder with a controlling influence may not use that influence to cause the Issuer to act contrary to its own interests unless there is a domination agreement (*Beherrschungsvertrag*) between the shareholder and the Issuer and the influence remains within the boundaries of certain mandatory provisions of law or compensation is paid for the disadvantages that arise. Any person who uses his influence on the Issuer to cause a member of the Management Board or the Supervisory Board, an authorized representative (*Prokurist*) or an authorized agent (*Handlungsbevollmächtigter*) to act to the detriment of the Issuer or its shareholders may be liable to compensate the Issuer and the affected shareholders for the resulting losses. Moreover, in this context, the members of the Management Board and Supervisory Board are jointly and severally liable if their actions or omissions amount to a violation of their duty of care.

18.2 Management Board

18.2.1 Composition

The Company's Articles of Association provide that the Management Board must consist of at least one member. Apart from that the number of the members of the Management Board is to be determined by our Supervisory Board.

The Supervisory Board also appoints the members of the Management Board and is entitled to dismiss each of them under certain circumstances. Only natural persons may be appointed as members of the Management Board.

18.2.2 Management Board Rules

In accordance with the Articles of Association, our Management Board has adopted rules governing the Management Board's principles and best practices (the "**Management Board Rules**"). The Management Board Rules describe the duties, tasks, composition, procedures and decision making of the Management Board.

18.2.3 Approval requirements

The Articles of Association or the Supervisory Board must designate the types of transactions that may only be made with the approval of the Supervisory Board. The Issuer's Articles of Association designate the types of transactions that may only be made with the approval of the Supervisory Board and allow the Supervisory Board to designate additional types of transactions that require its consent in the Rules of Procedure of the Management Board or by resolution. Matters subject to the prior consent of the Supervisory Board or of a committee of the Supervisory Board pursuant to the Issuer's Articles of Association currently include the acquisition, disposal or encumbrance of real estate and hereditary building rights (*Erbbaurechte*);

- The acquisition and disposal of existing shares in enterprises, the assumption of suretyships (*Bürgschaften*), guarantees or similar liabilities, if any of these measures exceed in the individual case an amount of EUR 25,000.00, and in addition thereto the assumption of suretyships (*Bürgschaften*), guarantees or similar liabilities only if these are made outside of the ordinary course of business; whereby the aforementioned transactions do not require the approval by the Supervisory Board, if entered into with affiliated companies;
- the issuance of bonds.

In addition to the aforementioned transactions and measures, the Supervisory Board may make other types of transactions and measures subject to a requirement of its consent within the rules of procedure of the Management Board or of the Supervisory Board or by a resolution of its members. The Supervisory Board may also give revocable consent in advance to a certain group of transactions in general or to individual transactions that meet certain requirements. The Management Board Rules do currently not contain additional approval requirements.

18.2.4 Members of the Management Board

As at the date of this Prospectus, our Management Board is composed of the following members; all members of the Management Board may be reached at the Issuer's registered office at Bettinastraße 57, 60325 Frankfurt am Main, Germany:

18.2.4.1 Sven Ulbrich

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

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

18.2.4.2 Fabian Föhre

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

After finishing his Japanese Studies, Fabian became an operator at Hornblower Fischer AG's wire room in 1999. In 2000 he joined Equinet Securities AG as trader-assistant and became stock trader on XETRA and Floor-Trader later on. In 2004 he joined at KMS Asset Management AG within the structuring team of Sven's "structured products" unit. Together with Sven and the other founding partners of Oaklet GmbH, Fabian became one of the executives at Oaklet GmbH in 2006 and today is member of the board of directors of Oaklet S.A. Fabian has been appointed as capsensixx's CFO and his contract will be switched from Oaklet GmbH to capsensixx AG with immediate effect subject to the listing (*Aufnahme des Handels*) of capsensixx Shares on the Frankfurt Stock Exchange.

18.2.5 Representation of the Company

Pursuant to Section 8 para. 1 of the Articles of Association the Company shall be represented either jointly by two Managing Directors or by a Managing Director acting jointly with an authorized representative (*Prokurist*). If only one Managing Director is appointed, such Managing Director represents the Company alone.

The Supervisory Board may, pursuant to Section 8 para. 2 of the Articles of Association, vest Managing Directors with individual representation power (*Einzelvertretungsbefugnis*), which means to grant a Managing Director the authority to represent the Company alone. Furthermore, pursuant to Section 8 para. 2 of the Articles of Association, the Supervisory Board may exempt Managing Directors from the restrictions of entering into a legal transaction in the name of the principal (the Company) with himself as an agent of a third party pursuant to Section 181 2nd alternative German Civil Code (*Bürgerliches Gesetzbuch*) (so called multi-representation).

Both Managing Directors of the Company, Sven Ulbrich and Fabian Föhre, have each been granted individual representation power (*Einzelvertretungsbefugnis*) and are each exempt from the restrictions of entering into a legal transaction in the name of the Company with themselves as an agent of a third party pursuant to Section 181 2nd alternative German Civil Code (*Bürgerliches Gesetzbuch*).

18.2.6 Membership in Administrative, Management and Supervisory Bodies Outside the Issuer's Group

The following table shows the current members of the Management Board, the year in which they were appointed, year in which their current appointment is scheduled to end, their position in the Management Board as well as the positions they have held as members of a management, administrative or supervisory body in companies or as partners in partnerships in the last five years, with the exception of the Issuer and the subsidiaries of the Group:

Member of the Management Board	Appointment	Scheduled end of appointment	Position in Management Board of the Company	Other management, administrative or supervisory body in companies or as partners in partnerships in the last 5 years outside of the Group
Sven Ulbrich	22 Nov. 2017	2022	Chief Executive Officer (CEO)	Member of the management board of PEH Wertpapier AG Managing director and chief executive officer of W&P Financial Services GmbH Managing director and chief executive officer of PEH Wealth Management GmbH Member of the Supervisory Board of PEH Wertpapier AG (Österreich)
Fabian Föhre	22 Nov. 2017	2022	Chief Financial Officer (CFO)	Director of Allgemeine Gesellschaft für Verbriefungen S.A. Director of AIV S.A. Director of Ardilla Segur S.A. Guardian Segur S.A. Director of Suncap SCOOP S.A. Managing director of UF Beteiligungs UG

Sven Ulbrich will remain member of the management board of PEH Wertpapier AG for operational tasks and strategic questions. However his contract and the remuneration will be solely with capsensixx AG, which in turn would charge a fixed EUR 20,000 per annum as a remuneration for his duties on the management board of PEH Wertpapier AG. This remuneration is based on the assumption of approximately 10% of his working time spent for PEH Wertpapier AG matters and is subject to an annual review and adjustment (if necessary).

18.2.7 Service Agreements, Employment Agreements and Severance Agreements

Each member of the Management Board has entered into a service agreement with the Group. Except as described below, the service agreements of the members of our Management Board do not provide for severance payments in the event of termination.

Our CEO and the CFO are not entitled to a severance payment.

The members of our Supervisory Board do not have an employment, service or severance agreement with the Group.

18.2.8 Remuneration and Other Benefits of the Members of the Management Board

18.2.8.1 Fabian Föhre

Fabian Föhre, as of 1 June 2018, has entered into a service contract with capsensixx AG until 21 November 2022 as Chief Financial Officer and member of the management board of the Company. He will receive a fixed compensation of EUR 160,000 p.a. plus an incentive (“**Bonus**”) payment subject to (i) the net profits of the Company (the “**Income Bonus**”) and (ii) mid- and long-term (three years) goals of capsensixx AG (the “**Performance Bonus**”). The Income Bonus is calculated (i) as a percentage of the net profit as determined within the yearly audited consolidated financial statements of capsensixx AG and (ii) subject to a factor on targets achieved. The Income Bonus is limited to 100% of the fixed compensation amount and a hurdle-rate in favour of capsensixx AG’s shareholders applies. The Performance Bonus is subject to a factor on the achievement of capsensixx AG’s mid- and long-term (three years) goals (i.e. innovation, sustainability, diversity, social responsibility) and is limited to 300% of the fixed compensation amount.

The Bonus is subject to an obligation to purchase shares of capsensixx AG for an amount of (i) 40% of the Bonus received (after duties and tax) minus (ii) an amount equal to the result of (a) the fixed compensation times (b) 100%. These shares are in general subject to a lock-up period of 4 years following the purchase date.

Fabian will remain a managing director of Oaklet GmbH and will receive a remuneration from Oaklet GmbH. Any remuneration received from any of capsensixx AG’s subsidiaries, will be fully deductible (i) of his fixed compensation and (ii) the Bonus and is subject to prior approval of the supervisory board of capsensixx AG.

18.2.8.2 Sven Ulbrich

Sven Ulbrich, as of 1 June 2018, has entered into a service contract with capsensixx AG until 21 November 2022 as Chief Executive Officer and member of the management board of the Company. He will receive a fixed compensation of EUR 240,000 p.a. plus an incentive (“**Bonus**”) payment subject to (i) the net profits of the Company (the “**Income Bonus**”) and (ii) mid- and long-term (three years) goals of capsensixx AG (the “**Performance Bonus**”). The Income Bonus is calculated (i) as a percentage of the net profit as determined within the yearly audited consolidated financial statements of capsensixx AG and (ii) subject to a factor on targets achieved. The Income Bonus is limited to 100% of the fixed compensation amount and a hurdle-rate in favour of capsensixx AG’s shareholders applies. The Performance Bonus is subject to a factor on the achievement of capsensixx AG’s mid- and long-term (three years) goals (i.e. innovation, sustainability, diversity, social responsibility) and is limited to 300% of the fixed compensation amount.

The Bonus is subject to an obligation to purchase shares of capsensixx AG for an amount of (i) 40% of the Bonus received (after duties and tax) minus (ii) an amount equal to the result of (a) the fixed compensation

times (b) 100%. These shares are in general subject to a lock-up period of 4 years following the purchase date.

Sven will remain a member of the management board of PEH Wertpapier AG for operational tasks and strategic questions and will also act as director or member of the management board with subsidiaries of capsensixx AG, however his employment service contract and the remuneration will be solely with capsensixx AG. capsensixx AG, in turn, will charge EUR 20.000 p.a. for compensation of Sven's duties with PEH Wertpapier AG and EUR 20,000 p.a. for each of the subsidiaries Sven performs management functions.

18.2.9 Shareholdings of the Members of the Management Board in the Issuer

There is no actual shareholding of the Members of the Management Board in the Issuer.

18.3 Supervisory Board

18.3.1 Overview

18.3.2 Composition

Our Articles of Association provide that the Supervisory Board consists of three members. Only natural persons may be appointed as members of the Supervisory Board. The General Meeting elects the members of the Supervisory Board.

The Supervisory Board members are all to be elected by the General Meeting. No employee representation is required in the Supervisory Board pursuant to German co-determination laws.

A resolution of the General Meeting to appoint a member of the Supervisory Board can be adopted by an absolute majority of the votes cast irrespective of the capital present or represented at the relevant shareholders meeting.

In accordance with Section 100 para. 5 of the German Stock Corporation Act (*Aktiengesetz*), the members of the Supervisory Board shall, overall, be familiar with the sector in which the company operates. For members of the Supervisory Board who are to be elected by the shareholders' meeting, the shareholders' meeting may, at the time of their election, appoint substitute members who shall replace shareholder members of the Supervisory Board leaving office before the end of their term. The term of office of such substitute member shall terminate at the end of the Issuer's shareholders' meeting in which a successor is elected and at the latest at the end of the term of office of the leaving member. Re-election of members of the Supervisory Board is possible.

Our Articles of Association provide that each member of the Supervisory Board shall be elected for a period lasting until the end of the general meeting granting ratification in the fourth fiscal year following the commencement of the term of office (which means a term of approximately five years). The General Meeting may determine a shorter term. A member of the Supervisory Board may be re-elected.

On 18 May 2018, the current members of the Supervisory Board have been elected for a period of five years terminating at the end of the shareholders' meeting that resolves on the formal discharge of the members' acts for the fiscal year 2022 following the commencement of their term of office, including in this calculation the fiscal year in which the term of office began.

For members of the Supervisory Board who leave office before the end of their term, a successor shall be elected for the remaining term of the member who has left office unless the Issuer's shareholders' meeting specifies a different term for such successor. The same applies if a re-election becomes necessary due to a challenge of the election.

The Supervisory Board members elected by the shareholders' meeting may be removed by a resolution of the shareholders' meeting if such resolution is approved by at least a single majority of the votes cast. In addition, each member of the Supervisory Board and each substitute member may resign from office even without good

cause with two weeks' written notice issued to the Management Board or to the chairman of the Supervisory Board. The chairman of the Supervisory Board can consent to a waiver of the aforementioned period. Following the shareholders' meeting, in the course of which the members of the Supervisory Board are elected by the shareholders' meeting for a new term, the Supervisory Board will elect a chairman and a deputy chairman from among its members. If the chairman or his/her deputy leaves such office before the end of its term, the Supervisory Board shall conduct a new election without undue delay.

18.3.3 Supervisory Board Rules

In accordance with our Articles of Association, our Supervisory Board has adopted rules governing the Supervisory Board's principles and best practices (the "**Supervisory Board Rules**"). The Supervisory Board Rules describe the duties, tasks, composition, procedures and decision making of the Supervisory Board. The Supervisory Board must hold at least two meetings in each calendar half-year. Meetings of the Supervisory Board are usually called at least two weeks in advance by the chairman of the Supervisory Board, not including the day on which the invitation is sent and the day of the meeting itself. In urgent cases shorter notice periods are possible; in such urgent cases the invitation to supervisory board meetings should be at least two days.

18.3.4 Members of the Supervisory Board

As at the date of this Prospectus, our Supervisory Board is composed of the following members:

18.3.4.1 Martin Stürner

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

18.3.4.2 Rudolf Locker

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

18.3.4.3 Gregor Langer

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

18.3.4.4 Further details regarding Supervisory Board members

The following table shows the current members of the Supervisory Board, their date of birth, the year in which they were first appointed, the year in which they were re-appointed, the year in which their current election is scheduled to end, their position on the Supervisory Board as well as the positions they have held as members of a management, administrative or supervisory body in companies or as partners in partnerships in the last five years, with the exception of the Issuer and the subsidiaries of the Group:

Member of the Supervisory Board	Date of birth	First appointment	Re-appointment	Scheduled end of appointment	Position in Supervisory Board of the Company	Other management, administrative or supervisory body in companies or as partners in partnerships in the last 5 years outside of the Group
Martin Stürner	3 July 1961	10 Nov. 2017*	18 May 2018	2023	Chairman of Supervisory Board	Member of the management board and chief executive officer (CEO) of PEH Wertpapier AG Managing Director of PEH Vermögensmanagement GmbH Member of the management board of PEH Wertpapier AG Österreich
Rudolph Locker	25 Jan. 1948	10 Nov. 2017*	18 May 2018	2023	Financial Expert	Member and chairman of the supervisory board of PEH Wertpapier AG Member and chairman of the supervisory board of BTU Beraterpartner Holding AG Member of the supervisory board of PEH Wertpapier AG Österreich Member of the supervisory board of Obema Beteiligungs- und Management GmbH
Gregor Langer	12 April 1963	10 Nov. 2017*	18 May 2018	2023	Member	Managing director of M2L Gesellschaft für Finanzierungslösungen mbH Managing director of SuP Service GmbH in liquidation (until 2016; now liquidator of the company)** Limited partner and managing director of general partner of Wilhelmsbad GmbH & Co. KG (until 2017 until liquidation of Wilhelmsbad GmbH & Co. KG)** Managing director of Jiri Burda GmbH Member of the board of Compuzz SA (2014-2017)***

* formation of capsensixx AG.

** The voluntary liquidation of SuP Service GmbH and Wilhelmsbad GmbH & Co. KG has each been initiated due to a respective shareholders'/partner's resolution.

*** Mr. Langer was a shareholder and member of the board of Compuzz SA. Mr. Langer resigned from the office as member of the board of Compuzz SA prior to the insolvency of the company; the insolvency proceedings are still pending. The insolvency proceedings are expected to be terminated due to the lack of sufficient assets. The main assets of Compuzz SA were sold during the insolvency proceedings.

Rudolph Locker is the Supervisory Board's financial expert within the meaning of Section 100 para. 5 German Stock Corporation Act.

All members of the Supervisory Board are familiar with the sector in which the Company operates.

All members of the Supervisory Board may be reached at the Issuer's registered office at Bettinastraße 57, 60325 Frankfurt am Main, Germany.

18.3.5 Supervisory Board Committees

The Supervisory Board has no committees.

18.3.6 Remuneration of the Members of the Supervisory Board

The Supervisory Board received no remuneration in 2017. Starting in 2018 the total remuneration of the Supervisory Board will be EUR 45,000 per year. EUR 20,000 will be paid to the Chairman of the Supervisory Board, EUR 15,000 to the Deputy Chairman and EUR 10,000 to other members of the Supervisory Board.

18.3.7 Shareholding Information

On the date of this Prospectus, none of the members of the Supervisory Board, the Management Board and our Senior directly holds any Shares in the Company.

Members of the Supervisory Board hold the following shareholdings in the Selling Shareholder:

Member of the Supervisory Board	Number of shares in PEH Wertpapier AG	Percentage in voting rights (rounded)
Martin Stürner	478,802*	26.4%*
Rudolf Locker	191,857	10.6%
Gregor Langer	10,500	0.6%

* 357,052 shares in PEH Wertpapier AG (approximately 19.7% of the voting rights) are directly held by Martin Stürner and 121,750 shares in PEH Wertpapier AG (approximately 6.7% of the voting rights) are indirectly held and attributed to Martin Stürner through ISARTOR GmbH, a company controlled by Martin Stürner.

No member of the Supervisory Board holds options or other instruments in the Company.

Members of the Management Board hold the following shareholdings in the Selling Shareholder:

Member of the Management Board	Number of shares in PEH Wertpapier AG	Percentage in voting rights (rounded)
Sven Ulbrich	0	0%
Fabian Föhre	9,600	0.5%

No member of the Management Board holds options or other instruments in the Company.

18.3.8 Board Conflicts of Interest

Under German law, a member of the Management Board or the Supervisory Board with a conflict of interest that prevents the board member to make an objective resolution can be obliged to abstain from participating in the decision-making process with respect to the relevant matter. If any such member was nevertheless involved in the decision-making process, then such decision may be nullified. A member of the Management Board or the Supervisory Board who participates in a decision-making process while having a conflicting interest with respect to the relevant matter, may under certain circumstances be held personally liable for any damage suffered by the company as a consequence of the decision.

As a general rule, agreements and transactions entered into by a company based on a decision of its board that are adopted with the participation of a board member who had a conflict of interest with respect to the matter, cannot be annulled. However, under certain circumstances, a company may annul such an agreement or transaction if the counterparty misused the relevant conflict of interest.

Our Supervisory Board Rules contain specific provisions to prevent and handle potential conflicts of interest in the Supervisory Board.

18.4 Potential Conflicts of Interest and Other Information

There may be potential conflicts of interest between the duties of the members of the Management Board and duties of the members of the Supervisory Board vis-a-vis the Company and their other duties or interests.

With respect to each of the members of the Management Board and the Supervisory Board, there are no (i) convictions in relation to fraudulent offences in the last five years; (ii) bankruptcies, receiverships or liquidations of any entities in which such members held any office, directorships or management positions in the last five years; or (iii) official public incrimination or sanctions of such person by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

The following conflicts of interest or potential conflicts of interest exist:

Our Chairman of the Supervisory Board Martin Stürner is at the same time chairman of the management board of our majority shareholder PEH Wertpapier AG. Moreover, Martin Stürner is the largest single investor of PEH Wertpapier AG holding a stake of 26.4% of the shares and voting rights in PEH Wertpapier AG. Moreover, the member of the Supervisory Board Mr. Rudolph Locker is holding a stake of 10.6% of the shares and voting rights in PEH Wertpapier AG and Mr. Gregor Langer is holding a stake of 0.6% of the shares and voting rights in PEH Wertpapier AG.

Our CEO Sven Ulbrich is at the same time member of the management board of our majority shareholder PEH Wertpapier AG. Our CFO Fabian Föhre is holding a stake of 0.5% of the shares and voting rights in PEH Wertpapier AG. Sven Ulbrich and Fabian Föhre are both shareholders holding less than 50% of the shares in our subsidiary Oaklet GmbH.

The interests of PEH Wertpapier AG (as well as its shareholders and board members) and the Company are not necessarily the same, although the Company does not believe any conflicts of interest currently exist. There is no family relationship between any members of the Management Board and the Supervisory Board of the Company.

18.5 Other Information on the members of the Management Board and the members of the Supervisory Board

Other than disclosed in “18.3.4.4 - Further details regarding Supervisory Board Members”, in the last five years no member of the Management Board and the Supervisory Board of the Company has been convicted of any fraudulent offences, nor has been associated with any bankruptcies, receiverships or liquidations.

No official public incriminations by statutory or regulatory authorities (including designated professional bodies) have been made and/or sanctions have been imposed against a member of the Management Board and the Supervisory Board of the Company during this period.

No member of the Management Board or the Supervisory Board of the Company has been disqualified by a court from acting as a member of an administrative management, or supervisory board of any issuer or from conducting the management or the affairs of any issuer in the last five years.

18.6 Directors' Indemnification and Insurance

Under German law, members of the Management Board and Supervisory Board may be liable to us for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages to us and to third parties for infringement of the Articles of Association or of certain provisions of the German Civil Code. In certain circumstances, they may also incur additional specific civil and criminal liabilities. Members of the Management Board and the Supervisory Board and certain other officers of the Company and certain subsidiaries are insured under an insurance policy against damages resulting from their conduct when acting in their capacities as such members or officers.

18.7 Shareholders' Meeting/General Meeting

The general meeting is the resolution body of the shareholders. Shareholders can exercise their voting rights at the general meeting themselves, by proxy via a representative of their choice, or by a Company-nominated proxy acting on their instructions. Among other matters, the annual general meeting ("AGM") of the Company as a German stock corporation (AG) resolves on the distribution of dividends, elects the members of the Supervisory Board and elects the Company's auditors. The agenda for the general meeting, including proposals for resolutions, is fixed by the Management Board and the Supervisory Board except that the Management Board cannot propose nominees for election as members of the Supervisory Board or proposals for the Company auditors.

Shareholders exercise influence in the general meeting through their voting rights. The members of the Supervisory Board are elected by the general meeting.

Certain matters require a resolution at the general meeting such as amendments to the Articles of Association, dissolution of the Company, mergers, a change in the legal form of the Company, enterprise agreements (*Unternehmensverträge*, such as domination agreements or profit and loss transfer agreements) and other fundamental changes.

Pursuant to Section 17 para. 2 of the Articles of Association resolutions of the shareholders' meeting are adopted with a simple majority of the votes cast, to the extent that mandatory law does not require a different majority. In so far as a majority of the share capital represented at the voting is necessary, resolutions by the shareholders' meeting shall be passed with a simple majority of the share capital represented at the voting, unless a higher majority is required by mandatory law.

18.8 Corporate Governance

The German Corporate Governance Code as amended on 7 February 2017 (published on 24 April 2017 and in the corrected version published on 19 May 2017) (the “Code”) contains recommendations and suggestions for the management and supervision of German companies listed on a stock exchange. The Code incorporates nationally and internationally recognized standards of good and responsible corporate governance. The purpose of the Code is to make the German system of corporate governance and supervision transparent for investors. The Code includes recommendations and suggestions for management and supervision with regard to shareholders and shareholders’ meetings, management and supervisory boards, transparency, accounting and auditing.

There is no obligation to comply with the recommendations or suggestions of the Code. However, Section 161 of the German Stock Corporation Act (*Aktiengesetz*) requires that the management board and supervisory board of a German listed company declare by means of a so called declaration of conformity (*Entsprechenserklärung*), every year, either that the recommendations have been or will be applied, or which recommendations have not been or will not be applied and explain why the management board and the supervisory board do not/will not apply the recommendations that have not been or will not be applied. This declaration is to be made permanently accessible to shareholders. However, deviations from the suggestions contained in the Code need not be disclosed. Prior to the listing of the Issuer’s shares on the Frankfurt Stock Exchange, the Issuer is not subject to the obligation to render a declaration as to compliance with the Code.

As of the date of this prospectus, the Company complies, and following the listing at the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) intends to comply with the recommendations of the Code with the following exceptions:

18.8.1 Deductible in the D&O Insurance for the Supervisory Board (section 3.8 of the Code)

The Code recommends in paragraph 3.8, that the D&O (directors’ and officers’ liability insurance) for the Supervisory Board should provide for a deductible of at least 10% of the claim up to at least the amount of one and a half times the fixed annual remuneration of the supervisory member. Such a deductible has not been agreed so far and it is also not intended to be agreed in the future. capsensixx AG has a D&O insurance without a deductible for the Supervisory Board. In the opinion of the Company, the responsible actions of the Supervisory Board are not additionally supported by the agreement of a corresponding deductible.

18.8.2 Executive Board (section 4.1.5 of the Code)

When appointing the Company’s executives, the Management Board shall, pursuant to section 4.1.5 of the Code, consider the principle of diversity, and in particular endeavour to achieve the appropriate consideration of women for such positions. The Management Board lays down targets for increasing the share of women in the two management levels below the Management Board and a deadline for the implementation, which may not be longer than five years (§ 76 para. 4 German Stock Corporation Act). capsensixx AG does not have a distinct hierarchy in its operational structure, such as the legislator had in mind for § 76 para. 4 German Stock Corporation Act. There is no first and second level of leadership. The selection of the employees is based solely on the suitability for the occupation of the vacant position. This will also be the future practice. For this reason, and due to the legal obligation to name a quota as a percentage, the Management Board was only able to set the target for the proportion of women in the management levels below the Management Board until 31 May 2023 at 0 percent.

18.8.3 Supervisory Board Tasks and Responsibilities (Section 5.1.2 of the Code)

When appointing Management Board members, the Supervisory Board shall pursuant to section 5.1.2 of the Code, take diversity into account. The Supervisory Board determines targets for the share of female Management Board members and has to define a deadline for implementation, which may not be longer than five years (§ 111 para. 5 German Stock Corporation Act). The Management Board of capsensixx AG consists of one or more members. Currently the Management board has two members. Both members of the board are male. If an extension of the board members is planned in the future or if a current member of the Management Board resigns, both female and male candidates will be addressed. The final selection decision of the

Supervisory Board will be based solely on the suitability for the position. For this reason, and due to the legal obligation to name a quota as a percentage, the Supervisory Board was only able to set the target for the proportion of women in the Management Board until the next appointment of members of the Management Board but no later than 31 May 2023 at 0 percent.

18.8.4 *Supervisory Board Committees (Section 5.3 of the Code)*

Section 5.3 of the Code recommends the formation of committees of the Supervisory Board, in particular the establishment of an audit committee in section 5.3.2 and a nomination committee in section 5.3.3. The Company has not established any committees of the Supervisory Board, since the Supervisory Board consists of only three members and all decisions are to be prepared and taken jointly by all members of the Supervisory Board. The recommendation regarding the formation of committees of the Supervisory Board is therefore of no relevance to the Company.

18.8.5 *Supervisory Board Composition (Section 5.4.1 of the Code)*

Pursuant to section 5.4.1 of the Code the Supervisory Board shall determine concrete objectives regarding its composition, and shall prepare a profile of skills and expertise for the entire Supervisory Board. Within the Company-specific situation the composition of the Supervisory Board shall reflect appropriately the international activities of the Company, potential conflicts of interest, the number of independent Supervisory Board members within the meaning of number 5.4.2 of the Code, an age limit and a regular limit to Supervisory Board members' term of office, both to be specified, as well as diversity.

The Supervisory Board must define target for the share of women in the Supervisory Board as well as a deadline for its implementation, which may not be longer than five years (§ 111 para. 5 German Stock Corporation Act).

The Supervisory Board of capsensixx AG consists of three members. The members of the Supervisory Board are elected by the general meeting, which is not bound by the election proposals and the target for the proportion of women to be determined by the Supervisory Board. At present all members of the Supervisory Board are male. This can change, but does not have to, in the next election. For this reason, and due to the legal obligation to name a quota as a percentage, the Supervisory Board was only able to set the target for the proportion of women in the Supervisory Board until the next election of members of the Supervisory Board but no later than 31 May 2023 at 0 percent.

18.8.6 *Supervisory Board Composition (Section 5.4.2 of the Code)*

Pursuant to section 5.4.2 of the Code, the Supervisory Board shall be composed by a reasonable number of independent members, which the supervisory board deems appropriate, while taking into account the ownership structure. In the sense of this recommendation, a member of the supervisory board shall in particular not be regarded as independent if it is in a personal or business relationship with the Company, its organs, a controlling shareholder or a company affiliated with it, which may establish a significant and not only temporary conflict of interest. The chairman of the Supervisory Board of capsensixx AG is also the chairman of the management board of the majority shareholder of capsensixx AG, PEH Wertpapier AG. The two other members of the Supervisory Board of capsensixx AG are also members of the supervisory board of the majority shareholder of capsensixx AG, PEH Wertpapier AG. The Management Board and the Supervisory Board consider that these activities do not constitute a conflict of interest nor is the independence of the Supervisory Board members adversely affected. In addition, the Supervisory Board considered the ownership structure of capsensixx AG in an appropriate manner. Any deviation from the Code is therefore explained purely by way of precaution.

18.8.7 *Consolidated Financial Statements / Interim Reports (Section 7.1.2 of the Code)*

The German Corporate Governance Code recommends in Paragraph 7.1.2, fourth sentence, that the consolidated financial statements should be made publicly available within 90 days after the end of the financial year and interim reports within 45 days of the end of the reporting period. We deem the legal requirements for publication of the consolidated financial statements and the half-yearly financial report,

which provide for a release period of maximum four respectively two months after the end of the financial year, to be sufficient, as they ensure an appropriate and timely information of the shareholders. The publication period for the interim reports (quarterly) has been and will continue to be observed in the future.

18.9 Founder

The issuer was incorporated on 10 November 2017 and registered in the commercial register at the local court of Frankfurt am Main on 28 November 2017 (for further information see above under 16.1).

The founder of the Issuer is PEH Wertpapier AG, Frankfurt am Main, Germany.

19. CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS

In accordance with IAS 24, transactions with persons or companies that are, inter alia, members of the same group as the Issuer or that are in control of or controlled by the Issuer must be disclosed unless they are already included as consolidated companies in the Issuer's audited consolidated financial statements. Control exists if a shareholder owns more than one half of the voting rights in the Issuer or, by virtue of an agreement, has the power to control the financial and operating policies of the Issuer's management. The disclosure requirements under IAS 24 also extend to transactions with associated companies (including joint ventures) as well as transactions with persons who have significant influence on the Issuer's financial and operating policies, including close family members and intermediate entities. This includes the members of the Management Board and Supervisory Board and close members of their families, as well as those entities over which the members of the Management Board and Supervisory Board or their close family members are able to exercise a significant influence or in which they hold a significant share of the voting rights.

Set forth below in Sections 19.1 and 19.2 is a summary of such transactions with related parties up to and including the date of this prospectus. Further information, including quantitative amounts, of related-party transactions are contained in (i) the notes to the Company's audited combined financial statements as of and for the three years ended 31 December 2017, 2016 and 2015 which are included in the Section "25. Financial Information" of this prospectus on page F-37 et seqq., and (ii) in the notes to the Company's unaudited interim financial statements as of and for the three-months-periods ended 31 March 2018 and 31 March 2017 which are included in the Section "25. Financial Information" of this prospectus on page F-3 et seqq. Business relationships between companies of our Group are not included.

19.1 Transactions with PEH Wertpapier AG

capsensixx AG's majority shareholder PEH Wertpapier AG and several subsidiaries of PEH Wertpapier AG such as PEH Vermögensmanagement GmbH and PEH Wertpapier AG, Wien (together "PEH") receive fees, expenses and reimbursements for services and facilities rendered, especially for asset management services, PEH provides to several funds. PEH is also a receiver of services performed by the Group's companies and gets charged on this. For more detailed information, please refer to the audited Combined Financial Statements as annexed to this prospectus.

PEH Wertpapier AG granted a short term loan of T€ 600 to Axxion S.A. in 2017, which was already fully redeemed by Axxion S.A. in 2017. The interest payments relating to this loan amounted to T€1.

Further, in April 2018, PEH Wertpapier AG granted capsensixx AG a short term credit facility in an amount of T€ 500 at an interest rate of 6-months-Euribor +0.75% p.a., of which T€ 250 have been drawn by us which are still outstanding.

19.2 Transactions with other related parties

The members of the Management Board of the capsensixx AG and Oaklet GmbH Sven Ulbrich and Fabian Föhre are also shareholders (partners) of UF Beteiligungs UG, a German partnership.

UF Beteiligungs UG acquired shares in Oaklet GmbH. To finance its purchases (described in more detail in the Notes of the audited Combined Financial Statements) Oaklet GmbH granted UF Beteiligungs AG a loan, which is subject to interest and has to be repaid at the latest by 31 January 2023. The loan is collateralised by the shares of Oaklet GmbH held by UF Beteiligungs UG, so the counterparty risk has been materially minimized.

20. UNDERWRITING

20.1 General

The Sole Bookrunner and Underwriter is ICF BANK AG, Kaiserstraße 1, 60311 Frankfurt am Main.

On 11 June 2018, the Issuer, the Selling Shareholder (also the Lending Shareholder) and the Underwriter entered into an Underwriting Agreement relating to the offer and sale of the Offer Shares in connection with the Offering.

Under the terms of the Underwriting Agreement and subject to certain conditions the Underwriter is obliged to underwrite and purchase 330,000 New Shares resulting from the IPO Capital Increase and to remit the purchase price (less agreed upon commissions and expenses) of the placed New Shares to the Company.

Under the terms of the Underwriting Agreement and subject to certain conditions the Selling Shareholder is obliged to sell the Sale Shares to the Underwriter against payment of the Offer Price who is obliged to acquire 527,500 existing ordinary bearer shares with no-par value against payment of the Offer Price. The exact number of Base Shares to be acquired by the Underwriter will be determined in the pricing agreement.

Moreover, the Underwriter is entitled but not obliged to offer up to 128,625 Over-Allotment Shares at the Offer Price in its own name to investors and in accordance with the Offer. The Lending Shareholder granted, in the form of a securities loan, an option to the Underwriter to acquire a number of Issuer's shares equal to the number of Over-Allotment Shares at the Offer Price less agreed commissions.

In the Underwriting Agreement, the Issuer undertakes to exempt the Sole Bookrunner from certain liability obligations. The Underwriting Agreement further stipulates that the Sole Bookrunner's obligations are subject to the fulfilment of certain conditions, such as the correctness and completeness of all usual warranties assumed by the Issuer and the main shareholders, the receipt of the usual legal opinions and acknowledgements satisfying the Sole Bookrunner's requirements as well as the receipt of a signed global certificate certifying the shares.

The Issuer shall be entitled to terminate the Offer at any time prematurely in the event that certain circumstances occur, but also after expiry of the offer period and by 10.00 a.m. CEST on the settlement date (presumably on 21 June 2018). A termination is possible, in particular, if the Sole Bookrunner rescinds the Underwriting Agreement which it shall be entitled to do under certain circumstances. Such circumstances include among other things: occurrence of a material adverse change as defined by the Underwriting Agreement; this can be: (A) a material impairment has occurred or has been foreseeable since the effective dates relevant to the information inter alia contained in this prospectus which change was not specified in this prospectus; (B) a material change in the Issuer's management; (C) a total or partial suspension of trade at the Frankfurt, London or New York stock exchanges or at one of these three stock exchanges or the calling for a general moratorium on commercial banking activities in Frankfurt am Main, London or New York, or considerable interruptions in securities settlement, payment or booking services in Europe; (D) an adverse change of the national or international financial, political, industrial, economic, or legal framework conditions or the capital market conditions or the exchange rates or material outbreaks or an intensification of acts of war or terrorism.

In case of termination of the Underwriting Agreement prior to the registration of the effected capital increase in the commercial register and after a successful cancellation of the commercial register application, the Issuer's obligation to supply the Offered Shares shall cease to exist. The amounts already paid to settle the Offer Price shall be reimbursed to the investors.

Should the Sole Bookrunner rescind the Underwriting Agreement after the registration of the effected capital increase in the commercial register, the Offer shall not take place either. The amounts already paid to settle the Offer Price shall be reimbursed to the investors. If short sales have taken place prior to the booking of the Offered Shares in the securities accounts of the respective purchasers, the respective purchaser shall bear the sole risk of not being able to fulfill its obligations assumed on the basis of a short sale by a timely supply of Offered Shares.

However, if the Sole Bookrunner rescinds the Underwriting Agreement after registration of the effected capital increase in the commercial register, it shall be obliged to offer to the existing shareholders, according to their shareholding quota, the New Shares subscribed for at a selling price to be determined by the Issuer for a period of 20 calendar days. If the existing shareholders have not acquired all New Shares after expiry of such period, the Issuer may instruct the Sole Bookrunner within ten calendar days to sell the remaining New Shares to purchasers to be specified by the Issuer at a selling price to be determined by the Issuer. If the Issuer does not specify any or a sufficient number of purchasers within said period, the Sole Bookrunner shall be entitled to sell the New Shares at its discretion at the most favorable conditions.

20.2 Selling Restrictions

The distribution of this prospectus and the sale of the Offer Shares may be restricted by law in certain jurisdictions. Pursuant to the Underwriting Agreement, no action has been or will be taken by the Issuer or the Underwriter to permit a public offering of the Offer Shares anywhere other than in Germany and Luxembourg or the possession or distribution of this document in any other jurisdiction in which action for that purpose may be required by applicable law or regulation.

The Offer Shares are not and will not be registered pursuant to the provisions of the Securities Act or with the securities regulators of the individual states of the United States. The Offer Shares may not be offered, sold, or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from the registration and reporting requirements of the United States securities laws and in compliance with all other applicable United States legal regulations. In the Underwriting Agreement, the Underwriter will represent and warrant that they have not offered or sold and will refrain from offering or selling the Offer Shares in or into the United States. The Offer Shares are only offered outside the United States in accordance with Rule 903 of Regulation S under the Securities Act and in compliance with other U.S. legal regulations. Neither the Issuer nor the Sole Global Coordinator nor any third party acting on their behalf, have undertaken or will undertake, (i) “direct selling efforts” as defined in Regulation S under the Securities Act or (ii) “general advertising” or “general solicitation”, each as defined in Regulation D under the Securities Act (other than by means of a “permitted general solicitation” (as defined in the Underwriting Agreement)) in relation to the Offer Shares.

Accordingly, neither this document nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this prospectus comes are required to inform themselves about and observe any such restrictions, including those set out in the preceding paragraphs. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Sales in the United Kingdom are also subject to restrictions. The Underwriter will represent and warrant to the Issuer that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”) received by it in connection with the issue or sale of any Offer Shares in circumstances in which Section 21 para. 1 of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from, or otherwise involving the United Kingdom.

The Underwriter will further represent and warrant in the Underwriting Agreement that they have not and will not publicly offer the Offer Shares in any of the member states of the EEA that have implemented Directive 2003/71/EC as amended (the “Prospectus Directive”) from the date of the implementation of the Prospectus Directive, unless (i) a prospectus for the Offer Shares has been previously published that has been approved by the competent authority in such member state or has been approved in another member state of the EEA that has implemented the Prospectus Directive, and the competent authority in the member state in which the offer takes place has been informed thereof in compliance with the Prospectus Directive; (ii) the offer is exclusively intended for so-called qualified investors within the meaning of the Prospectus Directive; or (iii) the offering takes place under other circumstances in which the publication of a prospectus by the Issuer is

not required under Article 3 of the Prospectus Directive, to the extent that this exemption has been implemented in the respective member state.

21. TAXATION IN THE FEDERAL REPUBLIC OF GERMANY

The following section outlines certain key German tax principles that may be relevant with respect to the acquisition, holding or transfer of shares. It is important to note that the legal situation may change, possibly with retroactive effect. This summary is not and does not purport to be a comprehensive or exhaustive description of all German tax considerations that may be relevant to shareholders. In particular, this summary does not cover tax considerations that may be relevant to a shareholder that is a tax resident of a jurisdiction other than Germany. This presentation is based upon domestic German tax laws in effect as of the date of this prospectus and the provisions of double taxation treaties currently in force between Germany and other countries.

This section does not replace the need for individual shareholders to seek personal tax advice. It is therefore recommended that shareholders consult their own tax advisors regarding the tax implications of acquiring, holding or transferring shares and what procedures are necessary to secure the repayment of German withholding tax (Kapitalertragsteuer), if possible. Only qualified tax advisors are in the position to adequately consider the particular tax situation of individual shareholders.

21.1 Taxation of the Issuer

As a rule, the taxable profits generated by corporations with their seat or place of management in Germany are subject to corporate income tax (*Körperschaftsteuer*). The rate of the corporate income tax is a standard 15% for both distributed and retained earnings, plus a solidarity surcharge (*Solidaritätszuschlag*) amounting to 5.5% on the corporate income tax liability (i.e., 15.825% in total).

In general, dividends or other profit shares that the Company derives from domestic or foreign corporations are effectively 95% exempt from corporate income tax (including solidarity surcharge), as 5% of such receipts are treated as non-deductible business expenses, and are therefore subject to corporate income tax (and solidarity surcharge thereon). However, dividends that the Company receives from domestic or foreign corporations, are not exempt from corporate income tax (including solidarity surcharge thereon), if the Company only holds a direct participation of less than 10% in the share capital of such corporation at the beginning of the calendar year (hereinafter, a “Portfolio Participation” (*Streubesitzbeteiligung*)). Participations of at least 10% acquired during a calendar year are deemed to have been acquired at the beginning of the calendar year. Participations in the share capital of other corporations which the Company holds through a partnership (including those that are co-entrepreneurships (*Mitunternehmenschaften*)) are attributable to the Company only on a pro rata basis at the ratio of the interest share of the Company in the assets of the relevant partnership.

The Company's gains from the disposal of shares in a domestic or foreign corporation are in general effectively 95% exempt from corporate income tax (including the solidarity surcharge thereon), regardless of the size of the participation and the holding period. 5% of the gains are treated as non-deductible business expenses and are therefore subject to corporate income tax (plus the solidarity surcharge thereon) at a rate of 15.825%. Conversely, losses incurred from the disposal of such shares are generally not deductible for corporate income tax purposes. Currently, there are no specific rules for the taxation of gains arising from the disposal of Portfolio Participations.

Additionally, German corporations are also usually subject to trade tax (*Gewerbesteuer*) with respect to their taxable trade profit (*Gewerbeertrag*) generated at their permanent establishments maintained in Germany (*inländische Betriebstätten*). The taxable trade profit corresponds in principle with the profit as determined for corporate income tax purposes. However, certain add-backs (including, for instance, certain amounts of lease payments and interest expenses) and deductions might result in a lower or higher tax base for trade tax purposes. Trade tax generally ranges from approximately 7% to 18.55% of the taxable trade profit depending on the municipal trade tax multiplier (*Hebesatz*) applied by the relevant municipal authority in which the Company maintains its permanent establishments. When determining the income of the corporation that is subject to corporate income tax, trade tax may not be deducted as a business expense. In principle, profits derived from the sale of shares in another domestic and foreign corporation are treated in the same way for trade tax purposes as for corporate income tax (as described above). Profit shares derived from domestic or foreign corporations are only effectively 95% exempt from trade tax, if, among other things, the Company either held an interest of at least 15% in the share capital of the company making the distribution at the

beginning of the relevant assessment period or - in the case of participations in foreign corporations - if the Company has been holding a stake of this size continuously since the beginning of such period (trade tax participation privilege (*gewerbesteuerliches Schachtelprivileg*)). If the participation is held in a foreign corporation within the meaning of Article 2 of the Council Directive 2011/96/EU of November 30, 2011 (the “**Parent-Subsidiary Directive**”) which is tax resident in another member state of the European Union, the trade tax participation privilege becomes available, if the Company held at least 10% in the share capital of the foreign corporation at the beginning of the relevant assessment period. Otherwise, the profit shares will be subject to trade tax (at the above-mentioned rates) in full. Subject to additional limitations, the trade tax participation privilege also applies to dividends paid by other foreign corporations.

Restrictions on Deductions of Interest Expenses

The provisions of the so-called interest barrier (*Zinsschranke*) limit the degree to which interest expenses are deductible from the tax base. Accordingly, as a rule, interest expenses exceeding interest income are deductible in an amount of up to 30% of the annual profit as determined for tax purposes in a given financial year, although there are exceptions to this rule. Non-deductible interest expenses must be carried forward to subsequent financial years. Annual Profit that has not been fully utilized can, under certain circumstances, be carried forward to subsequent years (for up to five years) and may be deducted subject to the limitations set out above. Further restrictions may apply to interest paid on shareholder loans. For trade tax purposes, 25% of the interest expenses deductible after applying the interest barrier are added when calculating the taxable trade profit. Therefore, for trade tax purposes, the amount of deductible interest expenses is only 75% of the interest expenses deductible for purposes of corporate income tax.

21.2 Losses

Losses of the Company can be carried forward in subsequent years and used to fully offset taxable income for corporate income tax and trade tax purposes only up to an amount of € 1 million. If the taxable income for the year or taxable profit subject to trade taxation exceeds this threshold, only up to 60% of the amount exceeding the threshold may be offset by tax loss carryforwards. The remaining 40% are subject to tax (minimum taxation). The rules also provide for a tax loss carryback of an amount up to € 1 million to the previous year with regards to corporate income tax. Unused tax loss carryforwards can generally continue to be carried forward without time limitation.

If more than 50% of the subscribed capital or voting rights of the Company are transferred to an acquirer (including parties related to the acquirer or a group of acquirers with aligned interests) within five years directly or indirectly or a comparable acquisition occurs, all tax loss carryforwards and interest carryforwards are forfeited. In addition, any current year losses incurred prior to the acquisition will not be deductible. If more than 25% up to and including 50% of the subscribed capital or voting rights of the Company are transferred to an acquirer (including parties related to the acquirer or a group of acquirers with aligned interests) or a comparable acquisition occurs, a proportional amount of tax loss carryforwards, the unused current losses and interest carryforwards is forfeited. There are certain exceptions to this rule. Subject to specific requirements, it does not apply to certain reorganizations within corporate groups. Furthermore, tax loss carryforwards, unused current losses and interest carryforwards taxable in Germany will not expire to the extent that they are covered by built in gains taxable in Germany at the time of such acquisition. With effect as of 1 January 2016 a new rule was introduced into the German Corporate Income Tax Act pursuant to which any share transfer that would otherwise be subject to the rules above does not result upon application in forfeiture of tax loss carryforwards and interest carryforwards resulting from current business operations (*Geschäftsbetrieb*) of the Company, if the current business operations of the Company remained the same (i) from the time of its establishment; or (ii) during the last three business years prior to the share transfer and such business operations are maintained after the transfer (*fortführungsgebundener Verlustvortrag*, “**Going Concern Tax Loss Carry Forward**”). However, the tax loss carryforwards and interest carryforwards will be forfeited in any circumstance if, after the share transfer, the business operations of the Company become dormant, are amended, the Company becomes a partner in an operating partnership (*Mitunternehmerschaft*), the Company becomes a fiscal unity parent, or assets are transferred from the Company and recognized at a value lower than the fair market value.

On 29 March 2017 the German Federal Constitutional Court (*Bundesverfassungsgericht*) held that the above loss expiry rules in their versions applicable from 2008 until 2015 are inconsistent with the principle of equality (*Gleichheitsgrundsatz*) under the German Constitution (*Grundgesetz*) to the extent they relate to a transfer of more than 25% up to and including 50% of the subscribed capital or voting rights of a company. The German legislator is obliged to revise by 31 December 2018 at the latest the law in line with the German Constitution (*Grundgesetz*) with retroactive effect as from 1 January 2008.

The ruling of the Federal Constitutional Court remains silent on the legal situation after 2016 since the enactment of the Going Concern Tax Loss Carry Forward and whether or not the loss expiry rules are compliant with the German Constitution to the extent more than 50% of the subscribed capital or voting rights are transferred. The latter question is dealt with in cases still pending with the Federal Fiscal Court (*Bundesfinanzhof*). Therefore, it is currently unclear if and to what extent the pertinent loss expiry rules will be further amended by the German legislator.

21.3 Taxation of Shareholders

21.3.1 Taxation of Dividend Income / Withholding Tax

As a general rule, dividends distributed to the shareholder are subject to a withholding tax (*Kapitalertragsteuer*) of 25% and a solidarity surcharge of 5.5% thereon (i.e., 26.375% in total plus church tax, if applicable). This, however, will not apply if and to the extent that dividend payments are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*; § 27 *Körperschaftsteuergesetz* (the “**KStG**”)); in this case no withholding tax will be withheld. However, these payments will reduce the acquisition costs or, as the case may be, the tax book values of the shares and may, consequently, increase a taxable gain upon the disposal of the shares or, to the extent that such payments exceed the individual acquisition costs or, as the case may be, the tax book values of the shares, lead to a taxable gain itself. The assessment basis for the withholding tax is the dividend approved by the general shareholders' meeting.

If shares - as it is the case with the shares in the Company - are admitted for collective custody by a central securities depository (*Wertpapiersammelbank*) pursuant to Section 5 of the German Act on Securities Accounts (*Depotgesetz*) and are entrusted to such bank for collective custody (*Sammelverwahrung*) in Germany, the withholding tax is withheld and passed on for the account of the shareholders (i) by the domestic credit or financial services institution (*inländisches Kredit- oder Finanzdienstleistungsinstitut*) (including domestic branches of such foreign enterprises), by the domestic securities trading company (*inländisches Wertpapierhandelsunternehmen*) or the domestic securities trading bank (*inländische Wertpapierhandelsbank*) which keeps or administers the shares and disburses or credits the dividends to the shareholder or disburses the dividends to a foreign agent, (ii) by the central securities depository (*Wertpapiersammelbank*) to which the shares were entrusted for collective custody if the dividends are disbursed to a foreign agent by such central securities depository (*Wertpapiersammelbank*) or (iii) by the Company itself if and to the extent shares held in collective custody (*Sammelverwahrung*) by the central securities depository (*Wertpapiersammelbank*) are treated as so-called stock being held separately (*abgesetzte Bestände*) (hereinafter in all cases, the “**Dividend Paying Agent**”). Aside from the case of stock being held separately, the Company does not assume any responsibility for the withholding of the withholding tax.

In general, the withholding tax must be withheld without regard as to whether and to which extent the dividend is exempt from tax at the level of the shareholder and whether the shareholder is domiciled in Germany or elsewhere abroad.

However, withholding tax on dividends distributed to a company domiciled in another EU member state within the meaning of Article 2 of the Parent-Subsidiary Directive, may be refunded upon application and subject to further conditions. This also applies to dividends distributed to a permanent establishment of such a parent company in another EU member state or to a parent company that is subject to unlimited tax liability in Germany, provided that the participation in the Company is actually part of such permanent establishment's business assets. Further requirements for the refund of withholding tax under the Parent-Subsidiary Directive are that the shareholder has directly held at least 10% of the Company's registered share capital for one year and that a respective application is filed with the German Federal Central Tax Office (*Bundeszentralamt für Steuern, Hauptdienstszitz Bonn-Beuel, An der Kuppe 1, D-53225 Bonn, Germany*).

Where dividends are distributed to a company resident in another member state of the EU within the meaning of Article 2 of the EC Directive 2011/96/EU of November 30, 2011, as amended (the "**Parent-Subsidiary Directive**"), the withholding of the dividend withholding tax may not be required, upon application, provided that additional requirements are met (withholding tax exemption). This also applies to dividends distributed to a permanent establishment located in another EU member state of such a parent company or of a parent company that is tax resident in Germany if the interest in the dividend-paying subsidiary is part of the respective permanent establishment's business assets. An important prerequisite for the exemption from withholding at source under the Parent-Subsidiary Directive is that the shareholder has directly held at least 10% of the Company's registered share capital continuously for one year and that the German Federal Central Office of Taxation (*Bundeszentralamt für Steuern*, with its registered office in Bonn-Beuel, An der Kuppe 1, D-53225 Bonn, Germany) has certified to the creditor of the dividends, based upon an application filed by such creditor on the officially prescribed form, that the prerequisites for exemption have been met.

With respect to distributions made to other shareholders without a tax domicile in Germany, the withholding tax rate can be reduced in accordance with the double taxation treaty if Germany has entered into a double taxation treaty with the respective shareholder's country of residence and if the shares neither form part of the assets of a permanent establishment or a fixed place of business in Germany, nor form part of business assets for which a permanent representative in Germany has been appointed. The withholding tax reduction is generally granted by the German Federal Central Tax Office (*Bundeszentralamt für Steuern* (at the above address)) upon application in such a manner that the difference between the total amount withheld, including the solidarity surcharge, and the reduced withholding tax actually owed under the relevant double taxation treaty (generally 15%) is refunded by the German Federal Central Tax Office (*Bundeszentralamt für Steuern* (at the above address)).

Forms for the reimbursement and exemption from the withholding at source procedure are available at the German Federal Central Tax Office (*Bundeszentralamt für Steuern* (at the above address)) or online at <http://www.bzst.bund.de> as well as German embassies and consulates.

If dividends are distributed to corporations subject to non-resident taxation in Germany, that means corporations with no registered office or place of management in Germany, and if the shares neither belong to the assets of a permanent establishment or fixed place of business in Germany nor are part of business assets for which a permanent representative in Germany has been appointed, two-fifths of the tax withheld at the source can generally be refunded even if not all of the prerequisites for a refund under the Parent-Subsidiary Directive or the relevant double taxation treaty are fulfilled. The relevant application forms are available at the German Federal Central Tax Office (*Bundeszentralamt für Steuern* (at the above address)).

The aforementioned possibilities for an exemption from or a refund of withholding tax depend on certain other conditions being met (particularly the fulfilment of so-called substance requirements (*Substanzerfordernisse*)).

21.3.2

Pursuant to the Act to Adopt the Amendments to the EU Mutual Assistance Directive and to Implement Measures against the Reduction and Shifting of Profits (*Gesetz zur Umsetzung der Änderungen der EU-Amtshilferichtlinie und von weiteren Maßnahmen gegen Gewinnkürzungen und -Verlagerungen*) dated December 20, 2016 (BGBl. I 2016, 3000), the aforementioned exemptions are restricted if (i) the applicable double taxation treaty provides for a tax reduction leading to an applicable tax rate of less than 15% and (ii) the shareholder is not a corporation that directly holds at least 10% in the equity capital of the Company and is subject to tax on its income and profits in its state of residence without being exempt. If the aforementioned criteria are met, a relief from or a refund of withholding tax is only possible if the shareholder (i) has been the economic owner of the shares for a continuous period of at least 45 days during the period starting 45 days prior to the date when the dividend becomes due and ending 45 days after such date (the "Minimum Holding Period" (*Mindesthaltedauer*)), (ii) has been exposed (if taking into account counter claims and claims against related parties) to at least 70% of the risk resulting from a decrease-in-value of the shares during the Minimum Holding Period (the minimum change-in-value risk (*Mindestwertänderungsrisiko*)) and (iii) is not obliged to forward (*vergüten*) these dividends, directly or indirectly, in total or to more than 50% to another person (the tests under (i) to (iii) above are together described as the "**Minimum Risk Test**"). As an exception to this rule, the Minimum Risk Test does not apply if the shareholder has been, upon actual receipt of the dividend, the economic owner of the shares for a continuous period of at least one year. These rules apply as from

January 1, 2017. Prospective holders of the shares are advised to seek their own professional advice in relation to the possibility to obtain a tax credit or refund of withholding tax on dividends.

21.4 Taxation of Dividends of Shareholders with a Tax Residence in Germany

Dividends distributed to shareholders with a tax domicile in Germany whose shares are held as non-business assets form part of their taxable capital investment income, which is subject to a special uniform income tax rate of 25% plus solidarity surcharge of 5.5% thereon (that means 26.375% in total plus church tax, if applicable). The income tax owed for this dividend income is in general satisfied by the withholding tax withheld by the Dividend Paying Agent (flat-rate withholding tax (*Abgeltungsteuer*)). Income-related expenses cannot be deducted from the shareholder's capital investment income (including dividends), except for an annual lump-sum deduction (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for jointly assessed shareholders). However, the shareholder may request that his capital investment income (including dividends) along with his other taxable income be subject to progressive income tax rate (instead of the uniform tax rate for capital investment income) if this results in a lower tax burden. In this case, income-related expenses cannot be deducted from the capital investment income, except for the aforementioned annual lump-sum deduction.

The withholding tax will generally be credited against the progressive income tax and any excess amount will be refunded. However, pursuant to the Act to Reform German Investment Taxation (*Investmentsteuerreformgesetz*, dated July 19, 2016, BGBl. I 2016, 1730), the full amount of withholding tax levied on the dividends is only creditable if the shareholder meets the Minimum Risk Test. In case that the shareholder does not meet the Minimum Risk Test, three fifths of the withholding tax levied on the dividends is not creditable, but may, upon application, be deducted when determining the shareholder's taxable income. Shareholders who do not meet the Minimum Risk Test but who have, nevertheless, not suffered a withholding tax deduction on the dividends (for example, due to the presentation of a non-assessment certificate) or have already obtained a refund of the taxes withheld, are obliged to notify their competent tax office thereof and to make the payment of an amount corresponding to the amount which would otherwise be withheld. As an exception to this rule, the Minimum Holding Period (and, if applicable, a corresponding notification and (re-)payment obligation) does not apply to an investor if either (i) his or her amount of dividend income on shares (including shares of the Company) and certain profit participation rights (*Genussrechte*) does not exceed an amount of EUR 20,000 in a given tax assessment period or if (ii) he or she has been, upon actual receipt of the dividend, the economic owner of the shares for a continuous period of at least one year. These rules apply retroactively as from January 1, 2016. Prospective holders of the shares are advised to seek their own professional advice in relation to the possibility to obtain a tax credit or refund of withholding tax on dividends.

Exceptions from the flat-rate withholding tax apply upon application for shareholders who have a shareholding of at least 25% in the Company and for shareholders who have a shareholding of at least 1% in the Company and are able to entrepreneurially influence the business activities of the company through a professional work for the Company (the latter alternative is applicable for tax assessment periods from 2017 onwards). In this situation, the tax treatment described below "Shares Held as Business Assets" applies.

The church tax in the case of tax payers subject to church tax will be withheld by way of an automated procedure and remitted to the religious community levying the tax. Church tax withheld at source may not be deducted as a special expense (*Sonderausgabe*) in the course of the tax assessment, but the Dividend Paying Agent may reduce the withholding tax (including the solidarity surcharge) by 26.375% of the church tax to be withheld on the dividends. Where shareholders have lodged a timely written objection with the German Federal Central Tax Office (*Bundeszentralamt für Steuern* (at the above address)) (so-called blocking notice (*Sperrvermerk*)) as regards the automated retrieval of data on their religious affiliation, church tax will not be automatically deducted. In this case, a shareholder subject to church tax is obliged to declare the dividends in his income tax return. The church tax on the dividends is then levied by way of a tax assessment.

Shareholders who are subject to an unlimited tax liability in Germany and hold their shares as non-business assets may be paid the dividends without deduction of withholding tax if certain prerequisites are met, in particular, if the shareholder has provided a non-assessment certificate (*Nichtveranlagungs-Bescheinigung*) or an exemption declaration (*Freistellungsauftrag*) and the exempt amount indicated therein has not yet been exhausted.

As an exemption, dividend payments that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*; § 27 KStG) and are paid to shareholders with a tax domicile in Germany whose shares are held as non-business assets, do - contrary to the above - not form part of the shareholder's taxable income. If the dividend payment funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*; § 27 KStG) exceeds the shareholder's acquisition costs, negative acquisition costs will arise which can result in a higher capital gain in case of the shares' disposal (see below, "Taxation of Capital Gains").

This will not apply if (i) the shareholder or, in the event of a gratuitous transfer, its legal predecessor, or, if the shares have been gratuitously transferred several times in succession, one of his legal predecessors at any point during the five years preceding the (deemed, as the case may be,) disposal directly or indirectly held at least 1% of the share capital of the Company (a "**Qualified Holding**") and (ii) the dividend payment funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*; § 27 KStG) exceeds the acquisition costs of the shares. In such a case of a Qualified Holding, a dividend payment funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*; § 27 KStG) is deemed a sale of the shares and is taxable as a capital gain if and to the extent the dividend payment funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*; § 27 KStG) exceeds the acquisition costs of the shares. In this case the taxation corresponds with the description in the section 21.6 "Taxation of Capital Gains" made with regard to German tax resident shareholders maintaining a Qualified Holding.

21.4.1 Shares Held as Business Assets

Dividends from shares held as business assets of a shareholder with a tax domicile in Germany are not subject to the flat-rate withholding tax. However, dividends are generally subject to the withholding tax on capital investment income of 25% plus 5.5% solidarity surcharge thereon, resulting in an aggregate tax rate of 26.375%, plus church tax for individuals, if applicable. The withholding tax (including the solidarity surcharge and church tax, if applicable) withheld and paid by the Dividend Paying Agent will generally be credited against the shareholder's income or corporate income tax liability (including the solidarity surcharge and church tax, if applicable) or refunded in the amount of any excess. Pursuant to the Act to Reform German Investment Taxation (*Investmentsteuerreformgesetz*), it is only possible for a taxpayer to fully credit the withholding tax levied on the dividends if certain conditions are met (see above). The taxation depends on whether the shareholder is a corporation, a sole proprietor or a partnership (co-entrepreneurship).

Dividend payments that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*; § 27 KStG) and are paid to shareholders with a tax domicile in Germany whose shares are held as business assets are generally fully tax-exempt in the hands of such shareholder. To the extent the dividend payments funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*; § 27 KStG) exceed the acquisition costs of the shares, a taxable capital gain should occur. The taxation of such gain corresponds with the description in the section 21.6.1 "Taxation of Capital Gains of Shareholders with a Tax Residence in Germany" made with regard to shareholders whose shares are held as business assets (however, as regards the application of the 95% exemption in case of a corporation this is not undisputed).

(1) Corporations

If the shareholder is a corporation with a tax domicile in Germany, the dividends are in general effectively 95% exempt from corporate income tax and the solidarity surcharge. 5% of the dividends are treated as non-deductible business expenses and are therefore subject to corporate income tax (plus the solidarity surcharge) at a total tax rate of 15.825%. In other respects, business expenses actually incurred in direct relation to the dividends may be deducted. However, dividends are not exempt from corporate income tax (including solidarity surcharge thereon), if the shareholder only holds a Portfolio Participation at the beginning of the calendar year. Participations of at least 10% acquired during a calendar year are deemed to have been acquired at the beginning of the calendar year. Participations which a shareholder holds through a partnership (including those that are co-entrepreneurships (*Mitunternehmenschaften*)) are attributable to the shareholder only on a pro rata basis at the ratio of the interest share of the shareholder in the assets of the relevant partnership.

Dividends (after deducting business expenses economically related to the dividends) are subject to trade tax in the full amount, unless the requirements of the trade tax participation privilege are fulfilled. In this latter

case, the dividends are not subject to trade tax; however, trade tax is levied on the amount considered to be a non-deductible business expense (amounting to 5% of the dividend). Trade tax ranges from approximately 7% to 18.55% of the taxable trade profit depending on the municipal trade tax multiplier applied by the relevant municipal authority.

(2) Sole Proprietors

If the shares are held as business assets by a sole proprietor with a tax domicile in Germany, only 60% of the dividends are subject to progressive income tax (plus the solidarity surcharge) at a total tax rate of up to approximately 47.5% (plus church tax, if applicable), so-called partial income method (*Teileinkünfteverfahren*). Only 60% of the business expenses economically related to the dividends are tax-deductible. If the shares belong to a domestic permanent establishment in Germany of a business operation of the shareholder, the dividend income (after deducting business expenses economically related thereto) is not only subject to income tax but is also fully subject to trade tax, unless the prerequisites of the trade tax participation privilege are fulfilled. In this latter case, the net amount of dividends, i.e., after deducting directly related expenses, is exempt from trade tax. As a rule, trade tax can be credited against the shareholder's personal income tax, either in full or in part, by means of a lump-sum tax credit method, depending on the level of the municipal trade tax multiplier and certain individual tax-relevant circumstances of the taxpayer.

(3) Partnerships

If the shareholder is a trading or deemed trading partnership (co-entrepreneurship) with a tax domicile in Germany, the income or corporate income tax is not levied at the level of the partnership but at the level of the respective partner. The taxation for every partner depends on whether the partner is a corporation or an individual. If the partner is a corporation, the dividends contained in the profit share of the shareholder will be taxed in accordance with the principles applicable for corporations (see above under "Corporations"). If the partner is an individual, the taxation is in line with the principles described for sole proprietors (see above under "Sole Proprietors"). Upon application and subject to further conditions, an individual as a partner can have his personal income tax rate lowered for earnings not withdrawn from the partnership.

In addition, the dividends are generally subject to trade tax in the full amount at the partnership level if the shares are attributed to a German permanent establishment of the partnership. If a partner of the partnership is an individual, the portion of the trade tax paid by the partnership pertaining to his profit share will generally be credited, either in full or in part, against his personal income tax by means of a lump-sum method - depending on the level of the municipal trade tax multiplier and certain individual tax-relevant circumstances of the taxpayer. Due to a lack of case law and administrative guidance, it is unclear how the rules for the taxation of dividends from Portfolio Participations (see above under "Corporations") might impact the trade tax treatment at the level of the partnership. Shareholders are strongly recommended to consult their tax advisors.

21.5 Taxation of Dividends of Shareholders without a Tax Residence in Germany

Shareholders without a tax domicile in Germany, whose shares are attributable to a German permanent establishment or fixed place of business or are part of business assets for which a permanent representative in Germany has been appointed, are liable for tax in Germany on their dividend income. In this respect, the provisions outlined above for shareholders with a tax domicile in Germany whose shares are held as business assets apply accordingly (see above). The withholding tax (including the solidarity surcharge) withheld and passed on will generally be credited against the income or corporate income tax liability or refunded in the amount of any excess. Pursuant to the Act to Reform German Investment Taxation, it is only possible for a taxpayer to fully credit the withholding tax levied on the dividends if certain conditions are met (see above).

In all other cases, any tax liability in Germany for dividends received by shareholders resident out-side of Germany will be discharged through the withholding tax. A refund or exemption is granted only as discussed in Section 21.3.1 above.

Dividend payments that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*; § 27 KStG) are generally not taxable in Germany.

21.6 Taxation of Capital Gains

21.6.1 Taxation of Capital Gains of Shareholders with a Tax Residence in Germany

21.6.1.1 Shares Held as Private Assets

Gains on the disposal of shares acquired after September 30, 2008 by a shareholder with a tax domicile in Germany and held as non-business assets are generally - regardless of the holding period - subject to a uniform tax rate on capital investment income in Germany (25% plus the solidarity surcharge of 5.5% there on, i.e., 26.375% in total plus any church tax if applicable).

The taxable capital gain is equal to the difference between (a) the proceeds of the disposal and (b) the acquisition costs of the shares and the expenses related directly and materially to the disposal. Dividend payments that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*; § 27 KStG) reduce the original acquisition costs and, as a consequence, lead to an increase of capital gains.

Only an annual lump-sum deduction of EUR 801 (EUR 1,602 for jointly assessed shareholders) may be deducted from the entire capital gains income. It is generally not possible to deduct income-related expenses in connection with capital gains, except for the expenses directly related in substance to the disposal which can be deducted when calculating the capital gains. Losses from the disposal of shares may only be offset against profits from capital investments arising from the disposal of the Company's shares or other shares in stock corporations during the same assessment period or future assessment periods.

If the shares are held in custody or administered by a domestic credit or financial services institution, domestic securities trading company or a domestic securities trading bank, including domestic branches of foreign credit institutions or financial service institutions, or if such an office executes the disposal of the shares and pays out or credits the capital gains (each a “**Domestic Paying Agent**”), the tax on the capital gains will in general be satisfied by the Domestic Paying Agent withholding the withholding tax on the capital gains income in the amount of 26.375% (including the solidarity surcharge) on the capital gain and transferring it to the tax authority for the account of the seller. If the shares were held in custody or administered by the respective Domestic Paying Agent continuously after acquisition, the amount of tax withheld is generally based on the difference between the proceeds from the sale, after deducting expenses directly related to the sale, and the amount paid to acquire the shares. However, the withholding tax rate of 25% plus the current 5.5% solidarity surcharge thereon and any church tax (if applicable), will be applied to 30% of the gross sales proceeds if the shares were not administered by the same custodian bank since acquisition and the original cost of the shares cannot be verified or such verification is not admissible. In this case, the shareholder is entitled to, and in case the actual gain is higher than 30% of the gross proceeds must, verify the original costs of the shares in his or her annual tax return. The church tax deduction for capital gains is performed by way of standardized tax withholding procedure by the Domestic Paying Agent withholding such tax. The principles outlined above for church tax on dividend income (see above) apply accordingly.

The shareholder can apply for his total capital investment income, together with his other taxable income, to be subject to progressive income tax rate as opposed to the uniform tax rate on investment income, if this results in a lower tax liability. In this case, the withholding tax is credited against the progressive income tax and any resulting excess amount will be refunded. Limitations on offsetting losses are applicable. Further, income-related expenses are non-deductible, except for the annual lump-sum deduction. Furthermore, the limitations on offsetting losses are also applicable under the income tax assessment.

Shareholders who are subject to unlimited tax liability in Germany and hold their shares as non-business assets may be paid the capital gains without deduction of tax on capital investment income and solidarity surcharge if certain prerequisites are met, particularly if the shareholder has provided a non-assessment certificate or an exemption declaration and the exempt amount indicated therein has not yet been exhausted.

If the withholding tax or, if applicable, the church tax on capital gains is not withheld by a Domestic Paying Agent, the shareholder is required to declare the capital gains in his income tax return. The income tax and any applicable church tax on the capital gains will then be collected by way of assessment.

In case of a Qualified Holding, the capital gain deriving from the disposal of shares is not subject to the flat-rate withholding tax but to the progressive income tax regime. In this case the partial income method applies, which means that only 60% of the capital gains are subject to tax and only 60% of the losses on the disposal and expenses economically related thereto are tax deductible. Even though withholding tax is withheld by a Domestic Paying Agent in the case of a Qualified Holding, this does not satisfy the tax liability of the shareholder. Consequently, a shareholder must declare his capital gains in his income tax returns. The withholding tax (including the solidarity surcharge and church tax, if applicable) withheld and paid will be credited against the shareholder's income tax on his tax assessment (including the solidarity surcharge and any church tax if applicable) or refunded in the amount of any excess.

21.6.1.2 *Shares Held as Business Assets*

Gains on the sale of shares held as business assets of a shareholder with a tax domicile in Germany are not subject to uniform withholding tax. Withholding tax must only be withheld in the case of a Domestic Paying Agent. Subject to certain prerequisites, the tax on capital investment income withheld and remitted to the tax authorities will be imputed towards the shareholder's income tax liability and any excess amount paid will be refunded. Subject to certain requirements, however, the Domestic Paying Agent may refrain from deducting tax on capital investment income if (i) the shareholder is a corporation subject to unlimited tax liability in Germany, an association of individuals or an estate or (ii) the shares form part of the business assets of a business operation in Germany and the shareholders declares such to the Domestic Paying Agent in the officially prescribed form. Should the Domestic Paying Agent nonetheless have withheld tax on capital investment income, the tax withheld and remitted to the tax authorities (including solidarity surcharge, and church tax, if applicable) will be imputed towards the shareholder's personal income tax or corporate income tax liability and any excess amount paid will be refunded.

The taxation of the capital gains depends on whether the shareholder is a corporation, a sole proprietor or a partnership (co-entrepreneurship). Dividend payments that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*; § 27 KStG) reduce the original acquisition costs or, as the case may be, the tax book values of the shares. In case of a disposal, a higher taxable capital gain can arise herefrom. If the dividend payments exceed the shares' book value for tax purposes, a taxable capital gain can arise.

(1) Corporations

If the shareholder is a corporation with a tax domicile in Germany, the gains on the disposal of shares are, in general, effectively 95% exempt from corporate income tax (including the solidarity surcharge) and trade tax, currently, regardless of the size of the participation and the holding period. 5% of the gains are treated as non-deductible business expenses and are therefore subject to corporate income tax (plus the solidarity surcharge) at a tax rate amounting to 15.825% and trade tax (depending on the municipal trade tax multiplier applied by the respective municipal authority, generally between approximately 7% and 18.55%). As a rule, losses on disposals and other profit reductions in connection with shares (for example, from a write down) cannot be deducted as business expenses. Currently, there are no specific rules for the taxation of gains arising from the disposal of Portfolio Participations.

(2) Sole Proprietors

If the shares are held as business assets by a sole proprietor with a tax domicile in Germany, only 60% of the gains on the disposal of the shares are subject to progressive income tax (plus the solidarity surcharge) at a total tax rate of up to approximately 47.5%, and, if applicable, church tax (partial-income method). Only 60% of the losses on the disposal and expenses economically related thereto are tax deductible. If the shares belong to a German permanent establishment of a business operation of the sole proprietor, 60% of the gains of the disposal of the shares are, in addition, subject to trade tax.

Trade tax can be credited towards the shareholder's personal income tax, either in full or in part, by means of a lump-sum tax credit method - depending on the level of the municipal trade tax multiplier and certain individual tax-relevant circumstances of the taxpayer.

(3) Partnerships

If the shareholder is a trading or deemed trading partnership (co-entrepreneurship) with a tax domicile in Germany, the income or corporate income tax is not levied at the level of the partnership but at the level of the respective partner. The taxation depends on whether the partner is a corporation or an individual. If the partner is a corporation, the gains on the disposal of the shares as contained in the profit share of the partner will be taxed in accordance with the principles applicable for corporations (see also “Corporations” above). For capital gains in the profit share of a partner that is an individual, the principles outlined above for sole proprietors apply accordingly (partial-income method, see above under “Sole Proprietors”). Upon application and subject to further conditions, an individual as a partner can obtain a reduction of his personal income tax rate for earnings not withdrawn from the partnership.

In addition, gains on the disposal of shares are subject to trade tax at the level of the partnership, if the shares are attributed to a domestic permanent establishment of a business operation of the partnership: Generally, at 60% as far as they are attributable to the profit share of an individual as the partner of the partnership, and, currently, at 5% as far as they are attributable to the profit share of a corporation as the partner of the partnership. Losses on disposals and other profit reductions in connection with the shares are currently not considered for the purposes of trade tax if they are attributable to the profit share of a corporation, and are taken into account at 60% in the context of general limitations if they are attributable to the profit share of an individual.

If the partner of the partnership is an individual, the portion of the trade tax paid by the partnership attributable to his profit share will generally be credited, either in full or in part, against his personal income tax by means of a lump-sum method - depending on the level of the municipal trade tax multiplier and certain individual tax-relevant circumstances of the taxpayer.

21.6.2 Taxation of Capital Gains of Shareholders without a Tax Residence in Germany

Capital gains derived by shareholders with no tax domicile in Germany are only subject to German tax if the selling shareholder has a Qualified Holding in the Company or the shares belong to a domestic permanent establishment or fixed place of business or are part of business assets for which a permanent representative in Germany has been appointed.

In the case of a Qualified Holding, 5% of the gains on the disposal of the shares are currently in general subject to corporate income tax plus the solidarity surcharge, if the shareholder is a corporation. If the shareholder is a private individual, only 60% of the gains on the disposal of the shares are subject to progressive income tax plus the solidarity surcharge thereon and church tax, if applicable (partial-income method). However, most double taxation treaties provide for a partial or full relief from German taxation and assign the right of taxation to the shareholder's country of residence. Where a Domestic Paying Agent is involved, withholding tax on capital gains is generally levied at a rate of 25% (plus 5.5% solidarity surcharge thereon, resulting in an aggregate withholding tax rate of 26.375%). However, if (i) the capital gains are taxable in Germany and the shares are not held through a permanent establishment or fixed place of business or as business assets for which a permanent representative is appointed in Germany and (ii) a Domestic Paying Agent is involved, then, pursuant to a tax decree issued by the German Federal Ministry of Finance on January 18, 2016, the Domestic Paying Agent will not be required to withhold the tax on capital investment income (plus solidarity surcharge thereon) upon production of a certification of residence (*Ansässigkeitsbescheinigung*). In the case of a Qualified Holding, the capital gains must be declared in a tax return and will be (partially) taxed via an assessment procedure if no exemption under a double taxation treaty or under domestic law applies.

With regard to gains or losses on the disposal of shares belonging to a domestic permanent establishment or fixed place of business, or which are part of business assets for which a permanent representative in Germany has been appointed, the above-mentioned provisions pertaining to shareholders with a tax domicile in Germany whose shares are business assets apply *mutatis mutandis*. The Domestic Paying Agent can refrain from deducting the withholding tax if the shareholder declares to the Domestic Paying Agent on an official form that the shares form part of domestic business assets and certain other requirements are met.

21.6.3 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds

If credit or financial services institutions (*Kredit- oder Finanzdienstleistungsinstitute*) hold or sell shares that are allocable to their trading book pursuant to Section 1a of the German Banking Act (*Gesetz über das Kreditwesen – “KWG”*), they will neither be able to use the partial income method nor be entitled to the effective 95% exemption from corporate income tax plus the solidarity surcharge and any applicable trade tax. Thus, dividend income and capital gains are fully taxable. The same applies to shares acquired by financial institutions in the meaning of the German Banking Act for the purpose of generating profits from short-term proprietary trading. The preceding sentence applies accordingly for shares held in a permanent establishment in Germany by financial institutions, financial service providers, and finance companies tax resident in another EU member state or in other signatory states of the Treaty on the European Economic Area. In late 2016, new provisions on the exclusions from the participation exemption/partial income method were enacted.

The above-mentioned exclusions from the participation exemption/partial income method for income tax and trade tax shall only apply to shares which, in the case of credit institutions and financial services institutions, are allocable to the trading portfolio (*Handelsbestand*) within the meaning of the German Commercial Code (*Handelsgesetzbuch*). In case of finance companies, the aforementioned exclusions of (partial) tax exemptions shall only apply to shares held by finance companies where (i) credit institutions or financial services institutions hold, directly or indirectly, a participation of more than 50% in the respective finance company and (ii) where the finance company must disclose the shares as current assets (*Umlaufvermögen*) as of the time they are initially recognized as business assets. These new rules are effective for the fiscal year 2017 or participations acquired after 31 December 2016, respectively.

Likewise, the tax exemption described earlier afforded to corporations for dividend income and capital gains from the sale of shares does not apply to shares that qualify as a capital investment in the case of life insurance and health insurance companies, or those which are held by pension funds.

However, an exemption to the foregoing, and thus a 95% effective tax exemption, applies to dividends obtained by the aforementioned companies, to which the Parent-Subsidiary Directive applies.

21.7 Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Shares will arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Share is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

21.8 The Proposed Financial Transactions Tax

The European Commission and certain EU Member States (including Germany) are currently intending to introduce a financial transactions tax (FTT) (presumably on secondary market transactions involving at least one financial intermediary). It is currently uncertain when the proposed FTT will be enacted by the participating EU Member States and when the FTT will enter into force with regard to dealings with the Shares.

21.9 Other Taxes

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Shares. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

22. TAXATION IN LUXEMBOURG

The following section outlines certain key Luxembourg tax principles that may be relevant with respect to the acquisition, holding or transfer of shares. This summary does not purport to address all material tax considerations that may be relevant to an investor and does not purport to be a comprehensive description of all tax considerations that may be relevant to a particular prospective holder with regard to a decision to acquire, hold or transfer shares of the Issuer.

This summary is based on the laws and regulations in effect in Luxembourg and double taxation treaties currently in force between Luxembourg and other jurisdictions at the date of this prospectus. It is important to note that the legal situation may change, possibly with retroactive effect.

This summary is not intended to be, nor should it be construed to be, legal or tax advice and investors should consult their own tax advisers as to the particular tax treatment applicable to the acquisition, holding and transfer of shares of the Issuer. Only qualified tax advisors are in the position to adequately consider the particular tax situation of investors.

The present summary does not take into account the specific circumstances of particular investors some of which may be subject to special tax rules such as Luxembourg regulated investment funds or Luxembourg family wealth management companies (société de gestion de patrimoine financier).

Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or Luxembourg concepts only.

The residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Each Luxembourg resident taxpayer is subject to income tax on his or her or it worldwide income from Luxembourg or foreign sources.

Additionally, a reference to Luxembourg income tax encompasses corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal), a solidarity surcharges (contributions au fonds pour l'emploi), as well as personal income tax (impôt sur le revenu) generally. Prospective holders may further be subject to net wealth tax (impôt sur la fortune) as well as other duties, levies or taxes.

Corporate income tax, municipal business tax as well as the solidarity surcharge apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

This section does not replace the need for individual shareholders to seek personal tax advice. It is therefore recommended that shareholders consult their own tax advisors regarding the tax implications of acquiring, holding or transferring shares and what procedures are necessary to secure the repayment of any withholding tax, if possible. Only qualified tax advisors are in the position to adequately consider the particular tax situation of individual shareholders.

For purposes of this summary, Luxembourg individuals and Luxembourg companies are collectively referred to as “Luxembourg holders” or “resident holders”. A “non-Luxembourg holder” or “non-resident holder” means any holder of shares other than a Luxembourg holder.

22.1 Withholding taxes

Dividends paid to shareholders by a non-resident company, such as the Issuer, as well as liquidation proceeds and capital gains derived from the Issuer's shares are not subject to withholding tax in Luxembourg. Therefore the Issuer has no responsibility to withhold tax in Luxembourg, even if the payments are made through a Luxembourg-based paying agent, provided that the latter is not considered as being the beneficial owner of the incomes.

22.2 Income tax

22.2.1 Individuals - Luxembourg Income Tax on Dividends Paid on Shares and Capital Gains

22.2.1.1 Luxembourg resident individual holders - Dividends

For Luxembourg individuals, income in the form of dividends derived from the shares will normally be subject to individual income tax at the applicable progressive rate with a current top effective marginal rate of 45.78% including the unemployment fund contribution at the maximum rate of 9%.

For the purpose of the taxation of dividends distributed by the Issuer to Luxembourg individuals acting on the course of the management of their private wealth, the latter benefit from an exemption of the first tranche of EUR 1,500 (EUR 3,000 for taxpayers imposed collectively in the meaning of the Luxembourg income tax law) of all investment income (such as all interest and dividends received, including dividends from the Issuer) received during a given tax year.

Such dividends may benefit from the 50% exemption set forth in Article 115(15a) of the Luxembourg income tax law under certain conditions.

Dividends received by Luxembourg resident individual holders, who act in the course of their professional or business activity, will be subject to income tax at the normal progressive rate and municipal business tax.

A tax credit may be granted on income tax due by individuals resident of Luxembourg acting in the context of their private wealth or their professional/business activity for withholding taxes suffered in Germany, subject to certain limits and conditions.

22.2.1.2 Luxembourg resident individual holders - Capital Gains

Capital gains realized on the disposal of shares by Luxembourg resident individual holders, who act in the course of management of their private wealth, will only be taxable if the disposal of shares takes place within the first six months following or before their acquisition, or if the relevant individual shareholder holds a substantial shareholding in the Issuer.

A shareholding is considered as a substantial shareholding when (i) the relevant shareholder has held within the context of his/her private wealth, either alone or together with his/her spouse or declared partner and/or his/her minor children, either directly or indirectly, at any time within the five years preceding the realization of the gain, more than 10 per cent of the share capital of the Company, or (ii) the taxpayer acquired free of charge, within the five years preceding the transfer, a participation that constituted a substantial participation in the hands of the transferor (or the transferors in case of successive transfers free of charge within the same five-year period).

Capital gains realised on a substantial participation, more than six months after the acquisition thereof are subject to income tax according to the half-global rate method (that is, the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on a substantial participation) and benefit from the application of a rebate (abattement) of EUR 50,000 (EUR 100,000 for individuals imposed collectively as defined by the Luxembourg income tax law) reduced by rebates which have been applied during the ten preceding years.

A disposal may include a sale, an exchange, a contribution, or any other kind of alienation of the shares

Capital gains realized on the disposal of Shares by Luxembourg resident individual holders, who act in the course of their professional or business activity, will be subject to income tax at the normal progressive rate and municipal business tax.

22.2.2 Corporate holders - Luxembourg Income Tax on Dividends Paid on Shares and Capital Gains

22.2.2.1 Luxembourg resident corporate holders

For Luxembourg companies which do not benefit from a special tax regime, income in the form of dividends or capital gains derived from the shares are subject to corporate income tax and municipal business tax. The combined rate for these two taxes (including an unemployment fund contribution of 7%) at the date of this prospectus is equal to 26.01% for Luxembourg companies with registered office in Luxembourg City.

Such dividends may benefit either from the 50% exemption set forth in Article 115(15a) of the Luxembourg income tax law or from the full exemption set forth in Article 166 of the Luxembourg income tax law, subject to fulfillment of the conditions set out therein.

Except for dividends exempt in Luxembourg based on Article 166 of the Luxembourg income tax law, a tax credit may be granted on income tax due by resident corporate holders for withholding taxes suffered in Germany, subject to certain limits and conditions.

Capital gains realized on the disposal of shares may benefit from the full exemption provided for by the Grand Ducal Decree of December 21, 2001, as amended, subject to fulfillment of the conditions set out therein.

22.2.2.2 Non-resident holders

An individual or corporate non-resident holder of shares who/which receives a dividend from the shares or realizes a gain on disposal of the shares (and who/which does not have a permanent establishment or a permanent representative in Luxembourg to which the shares would be attributable) will, except for certain former residents of Luxembourg, not be subject to Luxembourg taxation on capital gains arising upon disposal of such shares.

A corporate non-resident holder of shares, which has a permanent establishment or a permanent representative in Luxembourg to which the shares would be attributable, will bear corporate income tax and municipal business tax on dividends deriving from the shares or capital gains realized on the transfer of the shares. However, such non-resident company which has a permanent establishment or a permanent representative in Luxembourg to which the shares would be attributable could be exempted therefrom on dividends received and/or the gain realized on a disposal of such shares under the same conditions as are applicable to a Luxembourg resident corporate holder, as described above.

22.3 Net Wealth Tax

Luxembourg net wealth tax will not be levied on a holder of shares unless:

- the holder is a Luxembourg resident that is a Luxembourg resident corporate holder subject to net wealth tax in Luxembourg; or
- Shares are attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg of a non-resident entity.

Net wealth tax is levied annually at a digressive rate depending on the amount of the net wealth of the above holders, as determined for net wealth tax purposes (i.e. 0.5% on an amount up to EUR 500 million and 0.05% on the amount of taxable net wealth exceeding EUR 500 million).

Shares may be exempt from net wealth tax subject to the conditions set forth by Article 60 of the Law of October 16, 1934 on the valuation of assets (Bewertungsgesetz), as amended.

Resident corporate holders are subject to an annual minimum net wealth tax the amount of which depends on the composition of the assets that it holds and the total amount of the assets that it holds.

22.4 Other Luxembourg Tax Considerations

22.4.1 *Estate and Gift Tax*

Under Luxembourg tax law, where an individual holder of shares is a resident of Luxembourg for inheritance tax purposes at the time of his/her death, shares are included in his/her taxable basis for inheritance tax or estate purposes and inheritance tax may be levied on the transfer of shares upon the death of a Luxembourg individual.

Luxembourg gift tax will be levied in the event that a gift of shares is made pursuant to a notarial deed signed before a Luxembourg notary or is otherwise registered in Luxembourg.

22.4.2 *Registration tax*

No registration tax will be payable by a holder of shares upon the issue, subscription or acquisition of shares or upon the disposal of shares.

23. FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Shares, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Shares, are uncertain and may be subject to change.

Holders should consult their own tax advisers regarding how these rules may apply to their investment in Shares.

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24. FINANCIAL INFORMATION

The following English-language audited combined financial statements of capsensixx AG prepared in accordance with IFRS as of and for the years ended 31 December 2017, 31 December 2016 and 31 December 2015, and the English-language unaudited interim financial statements of capsensixx AG for the three months period ended on 31 March 2018 have been prepared in accordance with the IFRS. The English-language audited unconsolidated annual financial statements of capsensixx AG as of and for the year ended 31 December 2017 prepared in accordance with the German Commercial Code (Handelsgesetzbuch) are translations of the respective German-language audited unconsolidated annual financial statements.

Unaudited interim financial statements of capsensixx AG prepared in accordance with IFRS as of and for the three months ended 31 March 2018	F-3
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**Unaudited interim financial statements of capsensixx AG prepared in
accordance with IFRS as of and for
the three months ended 31 March 2018**

Interim profit and loss statement of capsensixx AG in accordance with IFRS
For the three months ended 31 March

	Notes	Combined 31 March 2018 T€	Combined 31 March 2017 T€
1.	Revenues	25,428	15,289
2.	Other operating income	260	143
3.	Cost of materials	-20,295	-11,056
4.	Personnel expenses		
a)	Wages and salaries	-1,367	-1,135
b)	Social security, pension and other benefits	-362	-312
5.	Depreciation and amortization		
	on intangible fixed assets and tangible assets	-258	-235
6.	Other operating expenses	-1,616	-1,251
7.	Finance income	0	0
8.	other interest and similar income	6	3
9.	Finance costs	-1	-1
10.	Profit before tax	1,795	1,445
11.	Taxation	-541	-485
12.	Net Profit	1,254	960
	Net profit attributable to non-controlling interests	631	478
	Net profit attributable to shareholders of capsensixx AG	623	482

**Interim statement of comprehensive income of capsensixx AG in accordance with IFRS
For the three months ended 31 March**

	<u>Notes</u>	<u>Combined 31 March 2018 T€</u>	<u>Combined 31 March 2017 T€</u>
(I). Profit after tax		1,254	960
II. Other comprehensive income			
Fair Value reserve of financial assets at Fair Value			
Items that will be reclassified*		26	0
+/- Financial assets at Fair Value		111	-2
+/- Income tax		-33	0
Subtotal		<u>78</u>	<u>-2</u>
Other comprehensive income after taxes		78	-2
Other comprehensive income attributable to non-controlling interests		37	-1
Other comprehensive income attributable to shareholders of capsensixx AG		40	-1
III. Total income			
Net Profit		1,254	960
Other comprehensive income		78	-2
Total income		<u>1,332</u>	<u>958</u>
Total income attributable to non-controlling interests		668	477
Total income attributable to shareholders of capsensixx AG		664	481

* Reclassification in accordance with IFRS 9 of financial instruments previously classified as “Available for Sale” and were reclassified to Financial instruments measured at Fair Value through Profit and Loss

**Interim consolidated balance sheet of capsensixx AG in accordance with IFRS
as at**

	Notes	Consolidated 31 March 2018 T€	Combined 31 Dec. 2017 T€
<u>Assets</u>			
Goodwill	(6)	588	44
Other intangible assets	(6)	1,738	1,845
Tangible assets		866	932
Non-current financial assets	(10)	540	562
Deferred tax assets	(7)	88	105
Non-current assets		3,820	3,488
Trade receivables	(8),(10)	8,575	44,526
Income tax assets		87	139
Short term financial assets	(9),(10)	1,094	461
Financial instruments*	(10)	3,550	3,536
Cash and cash equivalents	(10)	6,293	4,961
Current assets		19,599	53,623
Total assets		23,419	57,111

* In accordance with IFRS 9 financial instruments previously classified as “Available for Sale” were reclassified to IFRS 9 categories as described in note 4

**Interim consolidated balance sheet of capsensixx AG in accordance with IFRS
as at**

	Notes	Consolidated 31 March 2018 T€	Combined 31 Dec. 2017 T€
<u>Equity and Liabilities</u>			
Subscribed capital		100	100
Retained earnings	(11)	4,460	83
accumulated other equity			
Profit carried forward		0	192
Net Profit		623	2,529
Equity compensation item			2,670
Retained adjusted consideration			360
Other equity components	(12)	1,789	0
Equity excluding non-controlling interests		6,973	5,934
Non-controlling interests		6,306	5,648
Equity (net assets)		13,279	11,582
Deferred tax liabilities		100	108
Long-term liabilities	(10),(13)	60	107
Non-current liabilities		160	215
Income taxes		478	548
Trade payables and other operating payables	(10),(14)	7,560	42,516
Short-term liabilities	(10),(15)	1,942	2,249
Current liabilities		9,980	45,314
Total equity and liabilities		23,419	57,111

**Interim consolidated statement of changes in equity
For the three months ended 31 March 2018**

	Consolidated Subscribed capital	Consolidated Retained earnings**	Consolidated Avail.- for- sale reserve / Fair value reserve of financial assets at Fair value*	Consolidated E quity compensation item	Consolidated Retained ad- justed con- siderationo	Consolidated Other equity components**	Consolidated Equity capital	Consolidated non-con- trolling interests	Consolidated Total
	T€	T€	T€	T€	T€	T€	T€	T€	T€
Balance as of 31 Dec. 2017	100	2,721	83	2,670	360	0	5,934	5,648	11,582
Adjustments due to changes in consolidation	0	-2,723	-83	-2,670	-360	0	-5,836	-5,648	-11,484
Balance as of 1 Jan 2018	100	-2	0	0	0	0	98	0	98
Additions due to consolidations	0	4,420	0	0	0	1,789	6,210	5,637	11,847
Adjustment due to first time consolidation	0	2	0	0	0	0	2	0	2
Fair Value adjustments due to first-time adoption of IFRS 9	0	0	40	0	0	0	40	37	78
Net profit	0	623	0	0	0	0	623	631	1,254
Dividends paid	0	0	0	0	0	0	0	0	0
Balance as of 31 March 2018	100	5,043	40	0	0	1,789	6,973	6,306	13,279

* In accordance with IFRS 9 financial instruments previously classified as “Available for Sale” were reclassified to IFRS 9 categories

** Retained earnings presented in the balance sheet including other comprehensive income and the Fair Value reserve of financial assets at Fair Value amounting to T€ 40. For purpose of the interim consolidated statement of changes in equity, the Fair Value reserve of financial assets at Fair Value is presented separately.

**Interim combined statement of changes in equity
For the three months ended 31 March 2017**

	Combined Subscribed capital	Combined Retained earnings	Combined Avail.- for- sale reserve	Combined Equity (net assets)	Combined Retained ad- justed con- siderationo	Combined Equity capital	Combined non-con- trolling interests	Combined Total
	T€	T€	T€	T€	T€	T€	T€	T€
Balance as of 1 Jan 2017	100	1,922	42	2,670	360	5,094	4,818	9,912
Income	0	482	-1	0	0	481	477	958
Dividends paid	0	0	0	0	0	0	0	0
Balance as of 31 March 2017	100	2,404	41	2,670	360	5,575	5,295	10,870

**Interim combined statement of cash flows of capsensixx AG in accordance with IFRS
For the three months ended 31 March**

<u>Notes</u>	<u>Combined 31 March 2018 T€</u>	<u>Combined 31 March 2017 T€</u>
Net profit including minority interests of minority shareholders, and receipts taxes, interest and dividends received	1,790	1,443
Depreciation on fixed assets	258	235
Interest paid	-1	-1
Interest received	6	3
Income taxes paid	-550	-388
Gain/loss on disposals	0	0
Increase / decrease of loans and advances to customers, as well as other assets that are not to associate to investment or financing activities	35,217	7,600
Increase / decrease of the liabilities to customers, as well as other liabilities, which are not to associate to investment or financing activity	-35,303	-8,444
Cash-flow from operating activities	1,417	448
Payments for investments in intangible assets	-48	-63
Payments for investments in tangible assets	-37	-178
Cash-flow from investing activities	-85	-241
Dividend payments to shareholders and non-controlling interests	0	0
Cash-flow from financing activities	0	0
Change in cash funds	1,332	207
Funds at beginning of period	4,961	3,798
Funds at end of period	6,293	4,005

NOTES TO THE INTERIM FINANCIAL STATEMENTS

(A) GENERAL INFORMATION ON THE COMPANY

Background

For the implementation of the new corporate strategy, the Board of PEH Wertpapier AG decided an initial public offering of the segment administration / service, to which the two subsidiaries, Axxion S.A., Grevenmacher, Luxembourg (“**Axxion**”), and Oaklet GmbH, Frankfurt am Main, (“**Oaklet**”) belong to. For this purpose, end of 2017 capsensixx AG, Frankfurt am Main (“**capsensixx**”) as issuer was founded and registered on 28 November 2017, with the commercial register of the Amtsgericht Frankfurt am Main (HRB 110258). Registered office of capsensixx is Frankfurt am Main, Bettinastrasse 57. The fiscal year of capsensixx and the subsidiaries is the calendar year.

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

capsensixx AG shares will be admitted for trading on the Frankfurt Stock Exchange in the regulated market (Prime Standard). For this purpose, a securities prospectus will be drafted and published.

The interim financial statements were prepared in euros. Unless otherwise indicated, all amounts are presented in thousands of euros (T€). This interim financial statements were prepared and authorised as of 25 April 2018 by the Board of Management of capsensixx AG.

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

Business model of capsensixx AG and its subsidiaries

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

Fund Administration & Accounting:

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

Capital Markets & Corporate Services:

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

(B) GENERAL INFORMATION ON THE INTERIM FINANCIAL STATEMENTS

The interim financial statements of capsensixx AG for the three months ended 31 March 2018 was prepared in accordance with the International Financial Reporting Standards (the "IFRS") of the International Accounting Standards Board ("IASB"), London, as adopted by the European Union and in accordance with the interpretations of the International Financial Reporting Standards Interpretation Committee ("IFRSIC").

The interim financial statements consists of

- an interim combined profit and loss statement,
- an interim combined statement of comprehensive income,
- an interim consolidated balance sheet
- an interim consolidated statement of changes in equity,
- an interim combined statement of cash flows, and
- the notes to the interim financial statements.

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

The balance sheet and the statement of changes in equity as of 31 March 2018 represent the consolidated financial information (indicated as Consolidated).

Before 28 March 2018, capsensixx Group was not a group within the meaning of IFRS 10. The interim financial information relating to the period from 1 January 2018 to 31 March 2018 such as the interim profit and loss statement, interim statement of comprehensive income and the statements of cash flows and the notes have been prepared by combining the IFRS financial statements of Axxion, Oaklet and capsensixx (Combined financial information, indicated as Combined).

Accordingly, the prior-year comperative information is extracted from combined Financial Statements of capsensixx AG prepared in accordance with IFRS as of and for the three years ended 31 December 2017, 31 December 2016 and 31 December 2015 ("CFS", indicated as Combined). For details on preparation of the CFS, refer to section B of the notes to the CFS.

The financial information presented in these interim financial statements as of 31 March 2018 were prepared to comply with the Directive 2003/71/EG (in Germany by the German Securities Prospectus Act, Wertpapierprospektgesetz), the Commission regulation (EC) No 809/2004 and under consideration of the EU Regulation 2017/1129 of the European Parliament and of the Council of 14 June 2017. Before 28 March 2018, capsensixx AG has been treated as an issuer with a complex financial history in the sense of Regulation (EC) 211/2007.

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

IFRS contains no specific provisions for the preparation of combined financial information. Therefor the preparation of the combined financial information IAS 8 "accounting policies, changes in accounting estimates and errors" ("IAS 8") and the method of predecessor accounting according to the rules for business combinations under common control (transaction under common control) were applied.

In general, the interim financial statements were prepared under the same accounting principles and valuation approaches which were applied for the creation of the PEH Wertpapier AG consolidated financial statements. All current as well as all non-current assets and all current and non-current liabilities have been taken over into the group accounting at their carrying amounts as of 28 March 2018.

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

Further adjustment have been made to present the capsensixx equity. We have restated the equity presented in the CFS as of 31 December 2017 and the equity components that resulted from assumptions as set out in section B to the notes of the CFS. The equity presented in the interim financial statements include the equity components as they were carried forward in consolidated financial statements of PEH Wertpapier AG. The amount of the capital contribution, not registered before the balance sheet date (T€ 3,000), the consolidation items (T€ -1,061) and expenses relating to the issuance of new shares and the admission to trading on the Frankfurt Stock Exchange (T€ -150) were recorded in the line item "Other Equity components".

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

For further details refer to section D of the notes.

(C) ACCOUNTING AND VALUATION METHODS

The interim financial statements of capsensixx group for the three months ended 31 March 2018 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

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

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

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

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

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

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

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

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

IFRS 9 Financial Instruments: Classification and measurements

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

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

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

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

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

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

Classification and assessment:

Under IFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group’s business model for managing the assets; and whether the instruments’ contractual cash flows represent ‘solely payments of principal and interest’ on the principal amount outstanding (the ‘SPPI criterion’).

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

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

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

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

Impairment:

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

The new applied impairment model does not have a material impact on the financial positions, its profit or loss or on its other comprehensive income.

Impact on other comprehensive income (increase (+)/decrease(-)) for the three months ended 31 March 2018:

in T€	2017
OCI	-26
Tax expense on OCI	+7

IFRS 15 Proceeds from contracts with customers

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

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

The Group adopted IFRS 15 using the modified retrospective method of adoption. The effect of adopting IFRS 15 is as follows:

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

(a) Provision of services

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

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

(b) Variable consideration

In some contracts the Group has agreed additional variable fees for ongoing services. Those fees are paid additionally to the permanent remunerations. They depend on the absolute or the relative performance of the assets under management.

Those performance fees are recognised as revenue if the conditions set out in the agreements are fulfilled and the Group's claim on those fees arose.

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

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

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

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

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

Standard	Topic	Amendment/change	Application date in the EU	Impact
IFRIC 23	Income tax treatment	Application on taxable profits (tax losses, tax base, unused tax losses, unused tax credits and tax rates), if there is uncertainty regarding the income tax treatment according to IAS 12.	Open	
IFRS 9	Financial instruments: Classification and measurement	Change: - Valuation of financial assets with equal termination rights - Modification of financial liabilities	Open	
IAS 28	Shares in associated companies	Change: Compulsory application of IFRS 9 on accounting of certain forms of business	Open	

(D) INFORMATION ON CONSOLIDATION AND CONSOLIDATION METHODS

Information on subsidiaries

Group accounting instructions

The individual financial statements of the companies combined use the accounting and valuation principles as set out by PEH Wertpapier AG.

Scope of consolidation

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

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

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

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

- the assets and liabilities of the acquiree are recorded at their carrying amount not fair value,
- intangible assets and contingent liabilities are recognised only to the extent that they were recognised by the acquiree in accordance with applicable IFRS (in particular IAS 38),
- no goodwill is recorded. The difference between the acquirer's cost of investment and the acquiree's equity is presented separately within the line item other equity components,
- any non-controlling interest is measured as a proportionate share of the carrying amounts of the related assets and liabilities,
- any expenses of the combination are written off immediately in the line item other equity components.

Transition of the shares of Axxion S.A.

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

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

in T€	28 March 2018
Assets	
Non-current assets	2,650

Current assets	<u>16,897</u>
	19,547
Liabilities	
Non-current liabilities	63
Current liabilities	<u>9,287</u>
	9,350
Total identifiable net assets at carrying amounts	10,196

Transitions of the shares of Oaklet GmbH

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

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

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

Equity

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

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

The capital contribution has to be filed in the register of Amtsgericht Frankfurt am Main to become formally effective and in order to be recognized in the balance sheet line item “subscribed capital”. The capital contribution was not filed before 18 April 2018 therefore the amount is presented as the separate equity line item “capital contribution”.

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

in T€	28 March 2018 Equity	28 March 2018 Equity attributable to capsensixx shareholders
Subscribed Capital of capsensixx AG		100
Retained earnings		-2
Net profit		-16

Total identifiable net assets of Axxion S.A.	10,196	
Thereof attributable to non-controlling interests	5,098	
Thereof attributable to capsensixx AG	5,098	5,098
Total identifiable net assets of Oaklet GmbH	3,143	
Thereof attributable to non-controlling interests	1,200	
Thereof attributable to capsensixx AG	1,943	<u>1,943</u>
Expenses relating to the increase of the Company's share capital		-150
Equity excluding non-controlling interests		6,973

(E) INFORMATION ON THE INTERIM FINANCIAL STATEMENTS

(1) Revenues and cost of material

Revenues in the period ended 31 March 2018 amounts to T€ 25,428 (31 March 2017: T€ 15,288) and resulted mainly from administration services on assets under administration within funds, depositaries and securitizations.

Costs of materials in the period ended 31 March 2017 amounts to T€ 20,295 (31 March 2017: T€ 11,056) and resulted mainly from management fees, portfolio commissions and performance fees as well as advisory fees.

(2) Other operating income

in T€	01 Jan. - 31 March 2018	01 Jan. -31 March 2017
Reversal of accruals	100	17
Revenues from all-in-fees to cover costs incurred in relation to clients business	48	44
Sub-total other operating income relating to services provided to customer	48	44
Non-monetary benefits arising from the use of private car	39	37
Other operating income	73	45
Total	260	143

(3) Other operating expense

in T€	01 Jan. - 31 March 2018	01 Jan. -31 March 2017
Rental expenses	290	322
Administrative expenses on Funds	319	360
Communication, Office supplies	395	214
Legal, consulting, acquisition and audit costs	147	92
Advertising, Public Relations	117	76
Travel costs, vehicle costs	92	93
Insurance, contributions	14	25
Wealth tax	5	5
Other	237	64
Total	1,616	1,251

(4) Income Tax

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total profit. The major components of income tax expense in the interim financial statement of profit or loss are:

in T€	01 Jan. - 31 March 2018	01 Jan. -31 March 2017
Actual taxes	524	479
Deferred tax claims	90	6
Total	541	485

(5) Statement of other comprehensive income

The interim statement of other interim statement of comprehensive income is calculated according to IAS 1 and represents the not-for-profit recorded result components. In the first three months of 2018 the other comprehensive income consists of income collected from Fair value changes of securities classified as financial instruments at Fair Value (IFRS 9) of T€ 111, as well as the resulting tax impact of T€ 33. In the first three months of 2017 the other comprehensive income consists of Fair Value changes of financial instruments classified as Available for Sale (IAS 39) of T€ 2.

(F) INFORMATION ON THE COMBINED BALANCE SHEET

Assets

(6) Goodwill and other intangible assets and tangible assets

a. Goodwill

Goodwill arising in the course of the acquisition of shares in Oaklet GmbH of T€ 544 and its subsidiary Oaklet S.A. of T€ 44 and was transferred to capsensixx at its carrying amount (transaction under common control of PEH Wertpapier AG).

Impairment on goodwill is made according to IAS 36, if the recoverable amount falls below its carrying amount. An impairment tests as of 31 December 2017 carried out for Oaklet and Oaklet S.A. as a cash-generated unit confirmed the carrying amount. The test resulted in no impairment of the goodwill.

b. Intangible and tangible assets

Intangible assets relate mainly to accounting software of navXXX. In the first three months the group invested T€ 48 in new software and software updates.

Tangible assets relate to office and business equipment and increased due to additions of T€ 51.

The depreciation are generally on a straight-line basis over the time of the useful life indicated.

In the profit and loss accounts, the amortization of intangible assets are grouped together with depreciation of tangible fixed assets in line item "depreciation and amortization".

(7) Deferred tax assets and liabilities

Composition of the deferred tax claims in the balance sheet for each type of temporary differences:

in T€	31 March 2018	31 December 2017
Deferred tax claims on existing loss carry-forwards	88	105
Of which income	17	90

Loss carry-forwards at end of period 31 March 2018 of Oaklet S.A. amounting to a total of T€ 311 (31 December 2017: T€ 373).

The deferred tax claims on existing loss carry-forwards will be determined on the basis of earnings and tax planning of the next five years. Loss carry-forwards be evaluated only in the amount of the expected future tax benefits, if the planning calculations show that the losses can be recovered within the next 3 years. No need for adjustments resulted in 2018.

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

in T€	31 March 2018	31 December 2017
Deferred tax liabilities from differences in the valuation of securities	100	108
Of which income	0	0

The recorded deferred tax claims in the profit and loss account for any kind of temporary differences effective on the profits are shown in the following table:

in T€	31 March 2018	31 December 2017
- deferred tax expense from the consumption of loss carry-forwards	-17	-6
- deferred tax income from the setting into the loss carry-forwards	0	0
= - deferred tax expense / + deferred tax income	-17	-6

(8) Trade receivables

The changes in trade receivables results from performance fees collected as of 31 December 2017 in the amount of T€ 35,548. Performance fees as of 31 March 2018 amounted T€ 60. In the reporting period receivables were not overdue, allowances or impairments of receivables were not necessary.

in T€	31 March 2018	31 December 2017
0-3 month	8,438	44,442
3-12 month	137	76
more than 12 month	0	8
Total	8,575	44,526

(9) Short term financial assets

in T€	31 March 2018	31 December 2017
Receivables from related parties	41	0
Deferred expenses	688	123
Advances value added tax payments	8	15
Tenancy security deposits (short term)	14	14
Prepaid fees for the set up of funds which can be recovered	0	13
Other financial assets	343	295
Total	1,094	461

(10) Additional disclosures on financial assets and liabilities

The financial instruments included in the interim financial statements of the capsensixx AG are classified as follows:

Reporting period ended 31 March 2018

Assets			
Balance sheet item	Category	Carrying amount 31 March 2018	Fair value 31 March 2018
		in T€	in T€
Other non-current assets	Amortized costs	540	540
Trade Receivables	Amortized costs	8,575	8,575
Other short-term receivables/assets	Amortized costs	1,094	1,094

Financial instruments	FVOCI and FVPL	3,550	3,550
Cash and cash equivalents	Amortized costs	6,293	6,293
		20,052	20,052
Liabilities			
Balance sheet item	Category	Carrying amount 31 March 2018	Fair value 31 March 2018
		in T€	in T€
Other long-term liabilities	Amortized costs	60	60
Trade payables and other operating payables	Amortized costs	7,560	7,560
Other short-term liabilities	Amortized costs	1,942	1,942
		9,562	9,562

The trade receivables have maturities of less than 3 months. The fair values of the specific financial instruments at the balance sheet date correspond to the book values of the individual items.

Financial instruments were measured until 31 Dec. 2017 at fair value through other comprehensive income and shown as Available for sale assets. Due to the IFRS 9, applicable as at 1 Jan. 2018, financial instruments at a fair value of T€ 2.239 had to be reclassified to the new category fair value through profit and loss.

Within the position financial instruments we have summarized financial instruments with fair value of T€ 2,239, which are measured at fair value through profit and loss and financial (FVPL) instruments of T€ 1.310, which are measured at fair value through other comprehensive income (FVOCI).

Within the category T€ 851 represent a profit participation loan, which is not traded on a stock exchange. The loan was granted in 2010 with a term of no more than 40 years.

Fiscal year 2017

Assets			
Balance sheet item	Category	Carrying amount 31 Dec. 2017	Fair value 31 Dec. 2017
		in T€	in T€
Other non-current assets	Loans and Receivables	562	562
Trade Receivables	Loans and Receivables	44,526	44,526
Other short-term receivables/assets	Loans and Receivables	461	461
Available for sale assets	Available for sale	3,536	3,536
Cash and cash equivalents	Loans and Receivables	4,961	4,961
		54,185	54,185
Liabilities			
Balance sheet item	Category	Carrying amount 31 Dec. 2017	Valuation under IFRS 31 Dec. 2017
		in T€	in T€
Other long-term liabilities	Measured at amortized costs	107	107
Trade payables and other operating payables	Measured at amortized costs	42,516	42,516
Other short-term liabilities	Measured at amortized costs	2,249	2,249
		44,873	44,873

The trade receivables have maturities of less than 3 months. The fair values of the specific financial instruments at the balance sheet date correspond to the book values of the individual items.

The available for sale assets in the amount of T€ 2,721 represent marketable securities in the form of mutual funds with low risk rating. Fair Value of the securities was measured at the balance sheet date. These funds, being segregated, do not bear an issuer risk. T€ 815 represent a profit participation loan, which is not traded on a stock exchange. The loan was granted in 2010 with a term of no more than 40 years.

Equity

(11) Retained earnings

Retained earnings as of 31 March 2018 amount to T€ 4,460 and include retained earnings of capsensixx AG (T€ - 2), of Axxion S.A. (T€ 3,765) and of Oaklet GmbH (T€ 547) as well as of the Fair Value reserve of financial assets at Fair Value of T€ 137 and the IFRS 9 reclassification item of T€ 13.

(12) Other equity components

in T€	28 March 2018
Capital contribution (not registered before the balance sheet date)	3,000
Consolidation items (difference between cost of acquisition and the equity of Oaklet and Axxion)	-1,061
Expenses incurred from the planned issuance of new shares and the admission to trading on the Frankfurt Stock Exchange	-150
Total	1,789

Liabilities

(13) Long-term Liabilities

Long term liabilities are related to liabilities due to lease contracts of the Group. For reference refer to section H of the notes.

(14) Trade payables

The liabilities to service providers as of 31 March 2018 amount to T€ 7,560 (31.12.2017 Combined: T€ 42,516) and are due up to 3 months.

(15) Short-term Liabilities

in T€	31 March 2018	31 December 2017
Liabilities to related parties	12	383
VAT Liabilities	342	262
Liabilities relating to salaries, income tax and social securities	384	208
Liabilities for professional fees	267	206
Investment income tax	0	150
Accruals		

Bonus accruals	379	574
Invoices outstanding	350	98
Outstanding vacation and other personnel costs	75	143
Year-end expenses	0	130
Other	133	95
Total	1,942	2,249

The short term liabilities are due in 3 months.

(G) SEGMENT INFORMATION

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

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

Both segments provide services in the financial sector. Customers are mainly located in Germany. In the first three months of 2018 more than 10% of the total turnover was accounted to two major customers with an amount of T€ 7,672 and T€ 3,462 of revenues. Both are attributable to the segment fund administration & accounting. In first three months of 2017, revenues of more than 10% of the total turnover were collected with one customer in the amount of T€ 2,161 which was attributable to the segment of fund administration & accounting.

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

In the segment reporting combining adjustments are reported separately.

Segment report 31 March 2018

	Fund Admini- stration & Accounting	Capital Market & Corporate Services	Combining adjustments/ Others	Total
	in T€	in T€	in T€	in T€
Segment income				
Revenues	24,724	704	0	25,428
Other operating income	154	106	0	260
Segment expenses				
Cost of materials	-20,295	0	0	-20,295
Personnel expenses	-1,343	-386	0	-1,729
Depreciation	-253	-5	0	-258
Other operating expenses	-1,385	-213	-18	-1,616
Other interest and similar income	0	6	0	6
Interest and similar expenses	-1	0	0	-1
Finance income	0	0	0	0
Segment result (Profit before tax)	1,601	212	-18	1,795
thereof Income taxes				-541
of which attributable to non- controlling interests				-631
Net profit attributable to shareholders of capsensixx AG				623
Segment assets	19,459	3,219	23	22,701
Income tax claims			175	175
Total assets				22,876
Segment liabilities	9,132	339	91	9,562
Income tax liabilities			578	578
Total liabilities				10,140

The following Fair Value adjustments was recorded in as of 31 March 2018 in the Other Comprehensive Income item Fair value reserve of financial assets at Fair Value (attributable to shareholders of capsensixx AG):

in T€	Fund Administration & Accounting	Capital Market & Corporate Services	Total
Increase of Fair Value	27	13	40

Segment report 31 March 2017

	Fund Admini- stration & Accounting	Capital Market & Corporate Services	Combining adjustments/ Others	Total
	in T€	in T€	in T€	in T€
Segment income				
Revenues	14,797	491	0	15,289
other operating income	123	21	0	144
Segment expenses				
Cost of materials	-11,044	-12	0	-11,056
Personnel expenses	-1,170	-277	0	-1,447
Depreciation	-231	-4	0	-235
Other operating expenses	-1,104	-147	0	-1,251
Other interest and similar income	0	3	0	3
Interest and similar expenses	-1	0	0	-1
Finance income	0	0	0	0
Segment result (Profit before tax)	1,370	75	0	1,445
thereof Income taxes				-485
Net profit attributable to non- controlling interests				-478
Net profit attributable to shareholders of capsensixx AG				482
Segment assets	14,796	2,518	100	17,414
Income tax claims			299	299
Total assets				17,713
Segment liabilities	5,890	132	0	6,022
Income tax liabilities			822	822
Total liabilities				6,843

The following Fair Value adjustments was recorded in as of 31 March 2017 in the Other Comprehensive Income item Available for Sale Reserve (attributable to shareholders of capsensixx AG):

in T€	Fund Administration & Accounting	Capital Market & Corporate Services	Total
Decrease in Fair Value	0	-1	-1

(H) OTHER DISCLOSURES

Transactions with related companies and persons

We maintain business relationships within the Group to related companies and persons. In the context of these business relationships, in general we offer the same services we provide our customers. We believe that we make all these transactions to other customary conditions. There are no transactions, which were concluded at unusual market conditions.

Compensations paid to the Supervisory Board are listed in the previous section. A discussion of Management Board remuneration is separately under "Total remuneration of the Management Board".

Members of management in key positions occupy positions in other companies, as a result of which they have control or influence on the financial and business policies of these companies.

Key personnel costs

The following table provides details of key personnel costs for the periods indicated:

Name	Fixed Remuneration T€	Variable Remuneration T€	Dividends T€
Fabian Föhre	31	150	87
Sven Ulbrich	0	0	87

capsensixx AG has not paid any remuneration to key personnel in the reporting period. The payments were made through Oaklet GmbH.

Following transactions with related parties are listed below:

1) PEH Wertpapier AG, Frankfurt am Main

- a. A member of management board of PEH Wertpapier AG is also director of Oaklet. Oaklet agreed to reimburse costs to PEH Wertpapier. In the reporting period the following amounts were to be paid:

between 01 Jan. 2017 and 31 March 2017	12 T€
between 01 Jan. 2018 and 31 March 2018	12 T€

The following amounts were outstanding for payment to PEH Wertpapier AG:

as of 31 Dec. 2017	48 T€
as of 31 March 2018	12 T€

- b. Expenses from transactions with PEH Wertpapier AG were as follows:

between 01 Jan.2017 and 31 March 2017	270 T€
between 01 Jan.2018 and 31 March 2018	280 T€

The following amounts were outstanding for payment to PEH Wertpapier AG:

as of 31 Dec. 2017	122 T€
as of 31 March 2018	82 T€

- c. Income from transactions with PEH Wertpapier AG was as follows:

between 01 Jan. 2017 and 31 March 2017	45 T€
between 01 Jan. 2018 and 31 March 2018	67 T€

The following amounts were outstanding for payment by PEH Wertpapier AG:

as of 31 Dec. 2017	4 T€
as of 31 March 2018	4 T€

2) **PEH Vermögensmanagement GmbH, Frankfurt am Main**

a. Expenses from transactions with PEH Vermögensmanagement GmbH were as follows:

between 01 Jan. 2017 and 31 March 2017	14 T€
between 01 Jan. 2018 and 31 March 2018	3 T€

The following amounts were outstanding for payment to PEH Vermögensmanagement GmbH:

as of 31 Dec. 2017	1 T€
as of 31 March 2018	2 T€

b. IT services were performed for PEH Vermögensmanagement GmbH. Income related to these services were as follows:

between 01 Jan. 2017 and 31 March 2017	41 T€
between 01 Jan 2018 and 31 March 2018	41 T€

The following amounts were outstanding for payment to PEH Vermögensmanagement GmbH:

as of 31 Dec. 2017	0 T€
as of 31 March 2018	41 T€

3) **PEH Wertpapier AG, Wien, Austria (PEH Austria)**

Internal audit services were performed by PEH Austria. Expenses related to these services were as follows:

between 01 Jan. 2017 and 31 March 2017	2 T€
between 01 Jan. 2018 and 31 March 2018	0 T€

The following amounts were outstanding for payment to PEH Austria:

as of 31 Dec. 2017	8 T€
as of 31 March 2018	0 T€

4) **Trivium S. A., Luxemburg**

The management of Axxion S.A. are also shareholders of Trivium S.A. Thus, Trivium S.A. is a related party to the capsensixx business.

Trivium S. A. were granted two loans amounting up to 1,673 T€ in 2016. The loan was paid off in 2017. The loan was collateralised by fund shares of the Axxion Revolution Fund-One. The fund shares were purchased by the capsensixx business in 2017.

5) **UF Beteiligungs UG (haftungsbeschränkt), Frankfurt am Main**

The management of the capsensixx AG and Oaklet GmbH are also shareholders of UF Beteiligungs UG (haftungsbeschränkt).

- a) As of 29 December 2014 and as of 28 December 2016 UF Beteiligungs UG (haftungsbeschränkt) acquired shares in Oaklet with a nominal amount of € 1,250. The consideration for the shares was agreed to T€ 107.
- b) To finance the acquisition described in a) Oaklet granted UF Beteiligungs UG (haftungsbeschränkt) a loan amounting of T€ 669 in 2014 and additional T€ 107 in 2016. The loan is subject to interest and is payable latest by 31 January 2023. The loan is collateralised by shares of Oaklet GmbH with a nominal value of € 9,050. Interest income was recorded as follows:
- | | |
|--|------|
| between 01.Jan. 2017 and 31 March 2017 | 3 T€ |
| between 01 Jan. 2018 and 31 March 2018 | 2 T€ |

The following loan amounts were outstanding payments by UF Beteiligungs UG:

as of 31 Dec. 2017	558 T€
as of 31 March 2018	434 T€

- c) UF Beteiligung UG is entitled to use an office in the premises of capsensixx Group. UF Beteiligungs UG takes over the expenses for this office.

Average number of employees

The average headcount of employees has developed as follows:

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

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

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

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

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

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

The financial obligations from leasing contracts (incl. rentals) composed as follows:

in T€	Total amount	of which with a remaining term		
		up to 1 year	1-5 years	5 years
31 March 2018	5,448	1,499	3,949	0
31 Dec. 2017	6,021	1,376	4,646	0

These leasing contain finance- and operating-leases. In March 2018 payments under leases which are recorded in profit or loss, amounted to T€ 87 (31. Dec. 2017: T€ 78). The liabilities contained in other liabilities from finance leases as of 31 March 2018 T€ 97 (31. Dec. 2017: T€ 107). The leasing contracts relate to IT leasing and car leasing.

The following operational functions in are or were outsourced in 2017 and 2018 outside the Group:

- Axxion: accounting and payroll with Zimmer & Schulz Lux. S.a.r.l, Schuttrange, Luxembourg
- Oaklet: accounting, taxes and payroll with RWM GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Sinzheim

Special operations after the end of the fiscal year (subsequent events)

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

capsensixx AG and INQUENCE GmbH have signed a letter of intent in April 2018 to set up a new formed partnership named coraixx GmbH & Co KG as a joined venture. Both partners will have 50% of the shares of the company. INQUENCE GmbH will be granted a fee of € 1.5 million for the development of the software. coraixx GmbH & Co KG will be provided with funds of € 3.5 million in the next 36 month.

The company's Management Board

Sven Ulbrich, Spiesheim, Member of the Management Board (Chairman);

Fabian Föhre, Neu-Isenburg, Member of the Management Board

Members of the Supervisory Board

Martin Stürmer, Chairman of the Supervisory Board.

Rudolf Locker, Schmitten, Deputy Chairman of the Supervisory Board.

Gregor Langer, Kelkheim, Member of the Supervisory Board.

Voting

PEH Wertpapier AG, Frankfurt, holds 100% of the voting shares in capsensixx AG as of 31 March 2018. There were no changes related to the voting rights until to date.

Frankfurt, 25 April 2018

Fabian Föhre

Sven Ulbrich

The Management Board

capsensixx AG

**Audited combined financial statements of capsensixx AG prepared in
accordance with IFRS as of and for the three years ended 31 December
2017, 31 December 2016 and 31 December 2015**

(prepared in accordance with IFRS)

Combined profit and loss statement of capsensixx AG in accordance with IFRS

	Notes	Year ended 31 Dec. 2017 T€	Year ended 31 Dec. 2016 T€	Year ended 31 Dec. 2015 T€	
1.	Revenues	(1)	116,200	65,544	69,455
2.	Other operating income	(2)	694	753	943
3.	Cost of materials	(1)	-96,583	-48,768	-52,486
4.	Personnel expenses				
a)	Wages and salaries	(3)	-5,331	-4,708	-4,399
b)	Social security, pension and other benefits	(3)	-1,408	-1,187	-983
5.	Depreciation and amortization				
	on intangible fixed assets and tangible assets		-976	-752	-566
6.	Other operating expenses	(4)	-5,433	-5,085	-5,133
7.	Finance income		31	40	0
8.	other interest and similar income		31	12	52
9.	Finance costs		-8	-6	-5
10.	Profit before tax		7,217	5,843	6,878
11.	Taxation	(5)	-2,241	-1,772	-2,048
12.	Net profit		4,976	4,071	4,830
	Net profit attributable to non-controlling interests		2,447	2,011	2,390
	Net profit attributable to shareholders of capsensixx AG		2,529	2,060	2,440

Combined statement of comprehensive income of capsensixx AG in accordance with IFRS

	Year ended 31 Dec. 2017	Year ended 31 Dec. 2016	Year ended 31 Dec. 2015
Notes	T€	T€	T€
(I). Net profit	4,976	4,071	4,830
II. Other comprehensive income			
Positions may be reclassified in the profit or loss			
Valuation of financial instruments			
+/- Financial instruments available for sale	110	-26	113
<i>of which: profit/loss of the year</i>	<i>110</i>	<i>-26</i>	<i>113</i>
+/- Income tax	-32	8	-34
Subtotal	78	-18	79
Other comprehensive income after taxes	78	-18	79
Other comprehensive income attributable to non-controlling interests	37	-8	37
Other comprehensive income attributable to shareholders of capsensixx AG	41	-10	43
III. Total income			
Net profit	4,976	4,071	4,830
Other comprehensive income	78	-18	79
Total income	5,054	4,053	4,909
Total income attributable to non-controlling interests	2,484	2,003	2,426
Total income attributable to shareholders of capsensixx AG	2,570	2,050	2,483

Combined balance sheet of capsensixx AG in accordance with IFRS

	Notes	Year ended 31 Dec. 2017 T€	Year ended 31 Dec. 2016 T€	Year ended 31 Dec. 2015 T€
<u>Assets</u>				
Goodwill	(7)	44	44	44
Other intangible assets	(8)	1,845	2,124	1,036
Tangible assets	(8)	932	946	1,036
Non-current financial assets	(9), (22)	562	647	560
Deferred tax assets	(5)	105	195	167
Non-current assets		3,488	3,956	2,843
Trade receivables	(10),	44,526	13,140	14,531
Income tax assets	(11), (5)	139	112	77
Short term financial assets	(12)	461	2,156	1,119
Available for sale assets	(13), (22)	3,536	1,947	1,204
Cash and cash equivalents	(14), (23)	4,961	3,798	6,849
Current assets		53,623	21,153	23,780
Total assets		57,111	25,109	26,623

Combined balance sheet of capsensixx AG in accordance with IFRS

	Notes	Year ended 31 Dec. 2017 T€	Year ended 31 Dec. 2016 T€	Year ended 31 Dec. 2015 T€
<u>Equity and Liabilities</u>				
Subscribed capital	(15)	100	100	100
Retained earnings	(16)	83	42	53
accumulated other equity				
Profit carried forward		192	-138	-343
Net profit		2,529	2,060	2,440
Equity compensation item	(17)	2,670	2,670	2,670
Retained adjusted consideration	(18)	360	360	360
Equity excluding non-controlling interests		5,934	5,094	5,280
Non-controlling interests		5,648	4,818	4,945
Equity (net assets)		11,582	9,912	10,225
Deferred tax liabilities	(5)	108	76	0
Long-term liabilities	(20)	107	147	186
Non-current liabilities		215	223	186
Income taxes	(5)	548	657	785
Trade payables and other operating payables	(19)	42,516	12,024	13,691
Short-term liabilities	(21)	2,249	2,292	1,736
Current liabilities		45,314	14,974	16,212
Total equity and liabilities		57,111	25,109	26,623

Combined change of equity statements of capsensixx AG in accordance with IFRS

	Subscribed capital	Retained earnings	Avail.-for-sale reserve	Equity compensation item	Retained adjusted consideration	Equity (excl. non-controlling interests)	Non-controlling interests	Equity (net assets)
	T€	T€	T€	T€	T€	T€	T€	T€
Balance as of 1 Jan. 2015	0	1,436	9	2,670	360	4,475	4,236	8,711
Nominal share capital	100	0	0	0	0	100	0	100
Net profit and other comprehensive income	0	2,440	43	0	0	2,483	2,426	4,909
Dividends paid	0	-1,779	0	0	0	-1,779	-1,717	-3,496
Balance as of 31 Dec. 2015	100	2,097	52	2,670	360	5,279	4,945	10,224
Net profit and other comprehensive income	0	2,060	-10	0	0	2,051	2,003	4,053
Dividends paid	0	-2,235	0	0	0	-2,236	-2,130	-4,366
Balance as of 31 Dec. 2016	100	1,922	42	2,670	360	5,094	4,818	9,912
Changes due to changes in the scope of consolidation	0	0	0	0	0	0	1	1
Net profit and other comprehensive income	0	2,529	41	0	0	2,570	2,483	5,054
Dividends paid	0	-1,730	0	0	0	-1,730	-1,654	-3,385
Balance as of 31 Dec. 2017	100	2,721	83	2,670	360	5,934	5,648	11,582

Combined statement of cash flows of capsensixx AG in accordance with IFRS

Notes	Year ended 31 Dec. 2017 T€	Year ended 31 Dec. 2016 T€	Year ended 31 Dec. 2015 T€
Net profit including minority interests of minority shareholders, and receipts taxes, interest and dividends received	7,168	5,836	6,481
Depreciation on fixed assets	976	752	566
Interest paid	-7	-6	-8
Interest received	58	12	1
Income taxes paid	-2,255	-1,887	-1,979
Gain/loss on disposals	0	78	11
Increase / decrease of loans and advances to customers, as well as other assets that are not to associate to investment or financing activities	-31,153	-487	-6,639
Increase / decrease of the liabilities to customers, as well as other liabilities, which are not to associate to investment or financing activity	30,445	-1,157	7,513
Cash-flow from operating activities	5,232	3,141	5,946
Payments for investments in intangible assets	-301	-1,499	-896
Payments for investments in real assets	-383	-328	-390
Cash-flow from investing activities	-684	-1,827	-1,286
Dividend payments to shareholders and non-controlling interests	-3,385	-4,366	-3,496
Cash-flow from financing activities	-3,385	-4,366	-3,496
Change in cash funds	1,163	-3,052	1,164
Funds at beginning of period	3,798	6,850	5,686
Funds at end of period	4,961	3,798	6,850

NOTES TO THE COMBINED FINANCIAL STATEMENTS

(A) GENERAL INFORMATION ON THE COMPANY

Background

For the implementation of the new corporate strategy, the Board of PEH Wertpapier AG decided an initial public offering of the segment administration / service, to which the two subsidiaries, Axxion S.A., Grevenmacher, Luxembourg (“Axxion”), and Oaklet GmbH, Frankfurt am Main, (“Oaklet”) belong to. For this purpose, end of 2017 capsensixx AG as issuer was founded and registered on 28 November 2017, with the commercial register of the Amtsgericht Frankfurt am Main (HRB 110258). Registered office of capsensixx AG is Frankfurt am Main, Bettinastrasse 57. The fiscal year of capsensixx AG and the subsidiaries is the calendar year.

The annual general meeting resolved on 28 March 2018 the transfer of shares of Axxion S.A. and Oaklet GmbH by way of a contribution in kind. PEH Wertpapier AG and capsensixx AG entered into a capital contribution and post-formation agreement on the same day. The contribution in kind shall have an economic effect as of 1 January 2018. The capital contribution and post-formation agreement is expected to be filed in the register of the Amtsgericht Frankfurt am Main. capsensixx AG shares will be admitted for trading on the Frankfurt Stock Exchange in the regulated market (Prime Standard). For this purpose, a securities prospectus will be drafted and published.

In accordance with the prospectus directive 2003/71/EC, which was implemented in Germany by the German Securities Prospectus Act (WpPG), and the delegated prospectus Regulation (EC) No. 809/2004 in compliance with the new EU prospectus directive 2017/1129 of the European Parliament and of the Council from 14 June 2017, an issuer must represent historical financial information in its prospectus, covering the last three financial years.

capsensixx AG is an issuer with a complex financial history in the sense of Regulation (EC) 211/2007. The newly-registered holding company composes of companies that, although under common control of PEH Wertpapier AG, but never were treated as a group in a legal meaning. The operational business of capsensixx (“capsensixx business”, “capsensixx Group”), the period of which the historical financial information must exist, was operated by PEH Wertpapier AG.

In the present context, the capsensixx business is to be represented for the business years from 1 January 2017 until 31 December 2017, from 1 January 2016 until 31 December 2016, and from 1 January 2015 until 31 December 2015 in these combined Financial Statements (“CFS”).

The Combined Financial Statements (“CFS”) consists of the IFRS consolidated financial information of capsensixx AG, and of Axxion, Oaklet and its direct affiliates, as they were included in the consolidated financial statements of the PEH Wertpapier AG. The associated shares in Axxion and Oaklet and the contained activities, which were previously provided in the PEH Wertpapier AG group companies, are collected with their values as of 31 December 2017. More information about combining and to the preparation of the CFS are presented under "General information on the combined statements".

The Combined Financial Statements were prepared in euros. Unless otherwise indicated, all amounts are presented in thousand euros (T€). These CFS were prepared as of 28 March 2018 by the Board of Management of capsensixx AG.

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

Business model of capsensixx AG and its subsidiaries

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

Fund Administration & Accounting: While the investment decision is with the initiators or any dedicated asset manager, Axxion (including its Luxembourg subsidiary navAXX S.A., Grevenmacher, Luxemburg and its German subsidiary, Axxion Deutschland Investment AG, Frankfurt am Main, Germany) provides a fully integrated infrastructure for the

entire product life cycle of investment funds: starting with issuance and required authorizations or listings, its day-to-day administrative business until final redemption or liquidation.

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

(B) GENERAL INFORMATION ON THE COMBINED FINANCIAL STATEMENTS

The CFS of capsensixx AG were prepared in accordance with the International Financial Reporting Standards (the "IFRS") of the International Accounting Standards Board ("IASB"), London, as adopted by the European Union and in accordance with the interpretations of the International Financial Reporting Standards Interpretation Committee ("IFRSIC").

The CFS consists of:

- a combined balance sheet,
- combined profit and loss statements,
- combined statement of comprehensive income,
- combined change of equity statements,
- a combined statement of cash flows, and
- the notes to the combined statements for the fiscal years 2017, 2016 and 2015 (the "Combined Notes").

The segment reporting in the CFS are prepared according to IFRS 8. This segmentation should reflect the internal organizational and reporting structure of the Group, as this structure represents the operating segments and its connected different opportunities and risks (management approach). The segmentation is based on operational business areas. The business areas are segmented into Fund Administration & Accounting Capital and Markets & Corporate Services.

Combined financial statements

IFRS contains no specific provisions for the preparation of CFS. Therefore the preparation of the CFS apply to IAS 8 "accounting policies, changes in accounting estimates and errors" ("IAS 8").

The capsensixx Group is not a group within the meaning of IFRS 10. The CFS of capsensixx Group have therefore been prepared by aggregating equity. For the preparation of the CFS the method of predecessor accounting according to the rules for business combinations under common control (transaction under common control) was applied. The CFS of capsensixx Group reflect Axxion including its subsidiaries, as well as the Oaklet including its subsidiaries and their associated activities, as they were included historically in the PEH Wertpapier AG consolidated financial statements.

In general, the CFS were prepared under the same accounting principles and valuation approaches which were applied for the creation of the PEH Wertpapier AG consolidated financial statements.

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

Further, in acquisition of Oaklet by PEH Wertpapier AG in 2007 and the subsequent business combination a goodwill was recorded in the Consolidated Financial Statements of PEH Wertpapier AG Group in the amount of TEUR 544. For purpose of CFS and for reasons of materiality the goodwill was not recorded in the combined balance sheet.

IFRS accounting standards, adopted in 2015 to 2017 for the first time in the PEH Wertpapier AG consolidated financial statements, were adopted in the CFS accordingly.

The IFRS group financial information of the combined companies and business activities of capsensixx Group are prepared in each case as at the reporting date of the CFS. The period for recognizing adjusting events in the CFS is identical to that of the PEH Wertpapier AG consolidated financial statements.

Balances, transactions and all unrealized income and expenses from transactions of companies included in the CFS were, at the creation of the CFS in the fiscal years 2015, 2016, 2017 eliminated.

All relevant revenues and expenses, assets and liabilities that are economically attributable to the capsensixx AG, were collected in the CFS.

Combining method

The preparation of the CFS is carried out under the assumption that capsensixx AG acquired control of Axxion Group (Axxion consolidated with its subsidiaries), as well as of Oaklet Group (Oaklet consolidated with the subsidiary Oaklet S.A.) on 1 January 2014. The net assets at the time of combination is equivalent to the carrying amount of the equity capital of the two companies as of 1 January 2014. The consideration transferred in the acquisition is set at nil. The consideration transferred in the acquisition is set at nil.

Adjustment resulting from initial combination ("Equity compensation item")

The equity compensation item results from the initial combination as of 1 January 2014 and amounts to T€ 2.670. The equity compensation item is distributed as follows on the individual companies:

	T€
Axxion Group	
Equity as of 1 January 2014	3,186
Non-controlling interests	1,593
Equity compensation	1,593
Oaklet Group	
Equity as of 1 January 2014	2,000
Non-controlling interests	923
Equity compensation	1,077
Total equity compensation	2,670

The equity compensation remains unchanged during the reporting period.

Retained adjusted consideration

For purposes of the CFS, it was assumed that capsensixx' ownership interest rate in both, Axxion (50.0001%) and Oaklet, was the same as for the historical period and as of 31 December 2017. The ownership interest rate of PEH Wertpapier AG in Oaklet GmbH is 50,94%. The economic ownership interest rate of PEH Wertpapier AG in Oaklet did change between 1 January 2014 and 31 December 2017 as listed below:

- Until 29.12.2014: 63.38%
- 29.12.2014 – 28.12.2016: 55.00 %
- 29.12.2016 - today 53.86 %

Changes in the ownership interest rate result from own shares that Oaklet held. As of 1 January 2014 Oaklet held own shares with a nominal value of EUR 12,500.

Of these shares a portion with a nominal amount of € 7,800 was sold to UF Beteiligungs UG (haftungsbeschränkt), Frankfurt am Main ("UF Beteiligung"), for a consideration of T€ 669 as of 29 December 2014. The consideration as attributable to Group (assumed ownership of 53,86%) was recorded in equity as an adjusting item of € 360,180 (adjusted consideration). The balancing item remains unchanged during the reporting period.

As of 28 December 2016 further shares with a nominal amount of € 1,250 were sold to UF Beteiligung at a consideration of T€ 107. Based on a management decision, the consideration attributable to Group in the amount of T€ 1 was recorded in equity.

Uncertainties due to estimates in the combined financial statements

The CFS are not necessarily indicative of results that would have occurred as well as of assets, liabilities and equity if the capsensixx business had been a separate stand-alone group of entities during the years presented or of future results, assets liabilities and equity of the capsensixx business. Therefor any forecast about the future development of the business activities summarized in the capsensixx AG shall not be derived from the CFS.

(C) ACCOUNTING AND VALUATION METHODS

The following main accounting principles in the reporting periods 2017, 2016 and 2015 applied at capsensixx AG:

Summary of significant accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the sum of the transferred consideration, which is evaluated at fair value at the acquisition date, and the non-controlling interests in the acquired company. For each business combination, the Group measures the non-controlling interests in the acquired firms at fair value or at the proportionate share in the recognised amounts of the acquired company's identifiable net assets. Acquisition-related costs which incurred to effect a business combination are expenses and reported as administration costs.

If the Group acquires a company, it assesses the appropriate classification and designation of financial assets acquired and liabilities in accordance with the terms and conditions, the economic conditions, and the, at the time of acquisition, prevailing conditions.

The goodwill is initially recognized at cost, which is calculated as an excess of the sum of the consideration transferred, the amount of non-controlling shares and the shares previously held over the measured identifiable assets and assumed liabilities of the Group. If the fair value of the acquired net assets exceeds the transferred consideration, the Group re-judges, whether it has correctly identified all assets acquired and all assumed debt, and checks the procedures the amounts have been determined, which must be designated at the time of acquisition. If the fair value of the acquired net assets after the revaluation is still exceeding the transmitted total consideration, the difference is to be recognized in the profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of the impairment test, the goodwill acquired as part of a business combination is allocated from the acquisition date to the Group's cash-generating units, which are expected to benefit from the business combination. This applies regardless of whether other assets or liabilities of the acquired company are assigned to the same cash-generating units or not.

If a goodwill has been allocated to a cash-generating unit and a business unit of that cash-generating unit is sold, the goodwill attributable to the divested business is included as part of the book value of the business in determining the result of the divestment of that business. The portion of the disposed part of goodwill is determined on the basis of the relative values of the divested unit and the remaining parts of the cash-generating unit.

b) Classification of "short term" and "long term"

The Group classifies its assets and liabilities in the balance sheet in either short- or long-term assets and liabilities. An asset classifies "short-term", if

- the realization of the asset within the normal operating cycle is expected or the asset is held for sale or consumption within this period,
- the asset is held primary for the purpose of trading,
- the realization of the asset is expected within a period of twelve months after the reporting period or
- asset is cash or a cash equivalent, unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability classifies "short-term", if

- the settlement of the liability is expected within the normal business cycle,
- the liability is held primary for the purpose of trading,
- the liability is due to be settled within twelve months after the reporting period or
- the company has no unconditional right to defer settlement of the liability for at least twelve months after the reporting period .

All other liabilities are classified as long-term.

Deferred tax claims and liabilities are classified as non-current assets and liabilities.

(c) Assessment of the fair value

The Group assesses financial instruments and non-financial assets at each balance sheet date at fair value.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining the fair value, it is assumed that the transaction under which the sale of the asset or the transfer of the liability is made, either takes place

- on the principle market of the asset or the liability, or
- in the absence of a principal market in the most advantageous market for the asset or the liability

The Group must have access to such principal market or the most advantageous market (as the case may be).

The fair value of an asset or liability is calculated on the basis of the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group applies valuation techniques that are appropriate under the circumstances and sufficient data for determining the fair value are available. However the use of relevant observable inputs shall be as extensive as possible and those of not observable inputs to be kept as limited as possible.

All assets and liabilities, the fair value is determined or reported in the financial statements, are classified in the following valuation waterfall, based on the input factor of the lowest level, substantial for the assessment to the fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: valuation techniques, where the input factor of the lowest level, which is essential for the evaluation at fair value as a whole, is observable on the market directly or indirectly
- Level 3: valuation techniques, where the input factor of the lowest level, which is essential for the evaluation at fair value as a whole, is not observable on the market.

If assets and liabilities are recognized in the financial statements on a recurring basis at fair value, the Group determines whether regrouping between the levels of the hierarchy have taken place by checking, at the end of each reporting period, the classification (based on the input factor of the lowest level, which is essential for the evaluation at fair value as a whole).

(e) *Taxes*

Current income taxes

The current tax claims and tax liabilities are measured with such amount, a refund of the tax authority or a payment to the tax authority is expected. The tax rates and tax laws based upon the calculation of the amount will apply or apply shortly at the balance sheet date in the countries where the Group operates and generates taxable income are considered.

Current taxes, which relate to items that are recognized directly in equity, are not recorded in the profit and loss account, but in equity. Management regularly assesses individual tax treatments and if there is space for interpretation in considering the tax regulations in force. If so tax provisions are recognized.

Deferred tax

The deferred taxes are applying the liability method on temporary differences between the valuation of an asset or a liability in the balance sheet and the tax balance sheet value at the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences, except by

- deferred tax liabilities of the initial recognition of goodwill or of an asset or a liability from a transaction which is not a business combination and, at the time of the transaction, is not commercial income affecting the taxable result, and
- deferred tax liabilities from taxable temporary differences, which are related to investments in subsidiaries, associates and interests in joint agreements, if the time course of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax claims are recognized for all deductible temporary differences, unused tax losses and unused tax credits up to such amount, up to which it is probable that taxable income will be available against which the deductible temporary differences and unused tax losses and tax credits can be used with the exception of

- deferred tax claims from deductible temporary differences arising from the initial recognition of an asset or a liability in a business transaction, which is not a business combination and at the time of the Transaction affects neither the commercial net profit nor taxable result, and
- deferred tax claims from deductible temporary differences, which are related to investments in subsidiaries, associates and interests in joint agreements, if it is likely, that the temporary differences in the near future do not reverse or no sufficient taxable results are available, which can offset the temporary differences.

The carrying amount of deferred tax claims is reviewed at each balance sheet date and reduced to the extent, to which it is no longer probable that sufficient taxable income will be available against the deferred tax entitlement or at least part of it. Unrecognized deferred tax claims are reviewed at each balance sheet date and recognized to the extent, to which it has become probable that a future taxable profit enables the realization of deferred tax claim.

Deferred tax claims and liabilities are measured based on the tax rates that are expected to apply in the period, at which, an asset is realized or satisfies a liability. For determination, the tax rates (and tax laws) are used, which apply to the balance sheet date or which are announced by law.

Deferred taxes, related to income-neutral recorded items, are recorded as income-neutral. Deferred tax are recorded according to its underlying transaction in other income or directly in equity.

In the context of a business combination acquired deferred tax benefit that do not meet the criteria for a separate approach at the time of the acquisition, are recorded in subsequent periods, if new information about facts and circumstances appear, which already existed at the acquisition date. The adjustment is either reduction of the goodwill (as long as such reduction does not exceed the goodwill) if it arises during the review period, or is recorded in the period results.

Deferred tax claims and liabilities are offset only when the Group has a legally enforceable right to set off actual tax claims against current tax liabilities and the deferred tax claims and tax liabilities on income taxes relates to the same tax authority either for the same taxable entity or subject to different tax subjects, intending, in each future period in which the detachment or the realization of significant amounts of deferred tax liabilities or entitlements be expected either to bring the balance of the actual tax liabilities and claims on a net basis, or to settle the obligations at the same time with the realization of the rights.

(f) Fixed assets

Fixed assets are carried at its cost less accumulated depreciation and accumulated impairment losses.

The cost of fixed assets are determined according to IAS 16.15. They include directly attributable costs. For fixed assets, subsequent costs are activated as long as the company creates additional economic benefits and the acquisition costs of the fixed asset can be measured reliably. Fixed assets are measured after recognition according to the cost model. The depreciation is on a straight-line basis over the appropriate economic useful life of the asset. Disposals are fully booked to net book value at the time of their disposal. The depreciation are disclosed together with the amortization of intangible assets, as a separate item in the profit and loss account.

Assets that were acquired in the context of a finance lease, are at the date of the lease calculated with the fair value and amortized over the period of use. The lease liability is recognized in the amount of the fair value of the asset at the beginning of the lease and reduced in subsequent periods to the repayment portion integral to the leasing instalments.

Fixed assets are de-recognized either at disposal or when no economic benefit is expected from further use or sale of the fixed asset. The gains resulting from de-recognition of the asset or losses are determined as the difference between the net disposal proceeds and the carrying amount of the asset within the period in the profit and loss account income, in which the asset is derecognized.

The residual values, useful life and depreciation methods of fixed assets are reviewed at the end of each fiscal year and adjusted prospectively, if appropriate.

(g) Leases

Determining, whether an agreement is a lease or contains a lease, is made on the basis of the economic substance of the agreement at the time of the conclusion of the agreement. An arrangement is or contains a lease if its fulfillment depends on the use of a specific asset (or certain assets) and it transfers a right to use the asset (or assets), even if this asset (or assets) in an agreement is not explicitly defined.

Group is a lessee only. A lease is classified at the time of the conclusion of the contract as a finance- or an operating lease. A lease is classified as a finance lease, if substantially all risks and rewards associated with ownership, are transferred to the Group

In finance leases an asset and a liability are recognized at the beginning of the term of the lease, in the amount of fair value of the leased asset at the beginning of the lease or at the present value of the minimum lease payments, if this value is less. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability that results in a constant periodic rate of interest on the remaining lease liability. The interest portion is recorded in the financial result of the profit and loss account.

Leased assets are depreciated during the period of expected use of the asset. If there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, the period of expected use is the useful life of the asset; otherwise the asset is depreciated over the shorter of the lease term and its useful life.

An operating lease is a lease, not classified a finance lease. Rental payments for operating leases are recorded on a straight-line basis in the profit and loss account over the term of the lease as an operating expense.

h) Intangible assets

Intangible assets, not acquired in a business combination, are recognized at initial recognition at cost. The cost of intangible assets acquired in a business combination correspond to their fair value at the acquisition date. In subsequent periods intangible assets are set with their cost less accumulated depreciation and any accumulated impairment losses, if applicable. Internally generated intangible assets are not capitalized; instead the corresponding expenses are recognized as affecting expenses in the period, in which they incurred.

A distinction is made between intangible assets with finite and indefinite useful life. Intangible assets with a finite useful life are amortized over the useful life and tested for possible impairment if there are indications that the intangible asset may have been impaired. The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at least at the end of each reporting period.

Amendments required due to changes in the expected useful life or the expected consumption of the future economic benefits of the assets within the depreciation or amortization period will be as treated as amendments in estimates. Amortization of intangible assets with a finite useful life are recorded in the profit and loss.

For intangible assets with an indefinite useful life an impairment test at least once a year is to be performed for the individual asset or on the cash-generating unit level. These intangible assets are not amortized. The useful life of an intangible asset with indefinite useful life is checked once a year stipulating whether an indefinite useful life assessment is still justified. If this is not the case, the change in the assessment of an unlimited to limited useful life will be made prospectively.

Gains or losses arising from the disposal of intangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recorded to profit or loss in the period in which the asset is disposed.

(i) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that leads a company to a financial asset and the counterparty to a financial liability or equity instrument.

1. Financial assets initial recognition and valuation

Financial assets are initially classified either as financial assets at fair value through profit or loss, as loans and receivables, as held-to-maturity investments, as available-for-sale financial assets. All financial assets are initially measured at fair value. Financial assets that are not recognised at fair value through profit or loss also include transaction costs that are attributable to the acquisition of the financial Purchases or sales of financial assets, which provide for the delivery of assets within a period determined by rules or conventions of the respective market (market regular purchases), are recognized on the trading date, i.e. on the day on which the Group has entered into the obligation to purchase or sell the asset..

2. Classification of financial instruments

For the subsequent measurement, financial assets are classified into four categories:

- financial assets at fair value through profit or loss,
- loans and receivables,
- held-to-maturity investments, or
- available-for-sale financial assets.

Financial assets at fair value through profit or loss

The group of financial assets at fair value through profit or loss includes financial assets held for trading and financial assets, which are upon initial recognition are designated by the Group as at fair value through profit or loss. Financial assets are classified as held for trading purposes, if they are acquired for purposes of sale or the repurchase in the near future. Derivatives, including embedded derivatives separately captured, classify as held for trading purposes, with the exception of derivatives, which have been designated in accordance with IAS 39 as hedging instrument and as such are effective. The Group has classified no financial assets as at fair value through profit or loss.

Financial assets measured at fair value are recognized in the balance sheet at fair value, with the changes of the fair value in the profit and loss in the financial expenses (negative net changes in the fair value) or as financial income (positive net changes in the fair value).

Loans and receivables

The category "loans and receivables" has the greatest significance for the consolidated financial statements. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After their initial recognition, these financial assets are measured at amortized cost using the effective interest method, less any impairment losses. Amortized cost are calculated taking into account any agio or discounts on acquisition and fees or costs which represent an integral part of the effective interest rate. Income from the amortization using the effective interest method is included in the profit and loss as part of financial income. Losses from impairment losses are recognized under finance costs for loans and under cost of sales or other operating expenses in the income statement.

This category usually includes trade receivables and other receivables.

Available-for-sale financial assets

Available-for-sale financial assets include equity instruments and debt securities. Available-for-sale equity instruments are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and can be sold in response to liquidity needs or changes in market. Subsequent to initial measurement, available-for-sale financial assets in the following periods are measured at fair value. Unrealized gains or losses are recorded as other income in the reserve for available-for-sale financial assets. If such an asset is de-recognized the cumulative profit or loss is reclassified in other operating income. If an asset is impaired, the cumulative loss gets reclassified in financial expenses profit or loss and derecognized from the reserve for available-for-sale financial assets. Interest received is designated as interest income from available-for-sale financial assets using the effective interest method.

The Group assesses, whether the assumption of the ability of the Group and its intention to sell the available-for-sale financial assets in the near future, is still appropriate. If it can not trade these financial assets due to inactive markets in exceptional circumstances, it may decide to reclassify these financial assets, as long as the management has the ability and has the intention, to hold these assets for the foreseeable future or until maturity.

For a financial asset reclassified from available for sale, the fair value at the time of reclassification is determined as the new carrying amount of the asset and all past gains or losses associated with that asset are recognized directly in equity over the remaining term of the investment using the effective interest method. The differences between the new amortized cost and the amount repayable at maturity are also released over the remaining term of the asset using the effective interest method. If an impairment of the asset is subsequently determined, the amount recognized directly in equity is reclassified to the income.

3. Disposal

A financial asset (or a part of a financial asset or part of a group of similar financial assets) is derecognized primarily (i.e. removed from the balance sheet), if one of the following conditions is fulfilled:

- The contractual rights to receive cash flows from the financial asset have expired;
- The Group has transferred its contractual rights to receive cash flows from the financial asset to third parties or has made a contractual obligation to pay the cash flow immediately to a third party under an agreement that meets the conditions in IAS 39.19 (so-called pass-through agreement); and either (a) essentially transfer all opportunities

and risks associated with the ownership of the financial asset, or (b) while essentially all opportunities and risks, which are connected with the ownership of the financial asset, are neither transferred nor retained, but the control of the assets is transferred.

When the Group transfers its contractual rights to receive cash flows from an asset or enters into a transfer agreement, it assesses whether and to what extent the opportunities and risks associated with ownership remain with it. If it does not transfer, retain or transfer control of substantially all the risks and rewards of ownership of the asset, it will continue to recognize the transferred asset to the extent of its continuing involvement. In this case, the Group also recognizes a related liability. The transferred asset and the associated liability are evaluated, taking into account the rights and obligations that the Group has retained.

If the sustained commitment forms a guarantee of the transferred asset, the scope of the ongoing commitment corresponds to the lower amount of the original carrying amount of the asset and the maximum amount of the consideration received, which the Group may have an obligation to pay back.

4. Impairment of financial assets

At each reporting date, the Group determines whether there are any objective indications that an impairment of a financial asset or a group of financial assets exists. Impairment occurs when one or more events that have occurred since the initial recognition of the asset (a "loss event ") have an impact on the expected future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment can be given if there is evidence that the debtor or group of debtors has considerable financial difficulties, default or deferrals of interest or principal payments, if a bankruptcy or another reorganization is likely or if observable data indicates a measurable reduction in the estimated future cash flows, such as changes in deferrals or economic conditions that correlate with defaults.

Financial assets, which are measured at amortized cost

With regard to financial assets measured at amortized cost, it is first determined whether an impairment exists individually for financial assets that are individually significant, and for financial assets that are individually insignificant whether they are impaired in their entirety. If the Group determines that there is no objective indication of impairment for any individually assessed financial asset, whether significant or not, it recognizes the asset in a group of financial assets with comparable default risk profiles and collectively reviews them for impairment. Assets that are individually assessed for impairment and for which a value adjustment is reclassified or continues to be included are not included in a common impairment test. An impairment loss is determined as the difference between the carrying amount of the asset and the present value of the estimated future cash flows (with the exception of expected future cash-flows, not already defaulted). The present value of expected future cash-flows is discounted at the original effective interest rate of the financial asset.

The carrying amount of the asset is reduced using an adjustment account, and the impairment loss is recognized. The reduced carrying amount continues to include interest income (as part of the financial income in the income statement); this is done by using the interest rate used for discounting the future cash-flows when determining the impairment loss. Receivables from loans, including the associated impairment, have been derecognized when they are considered uncollectible and all collateral is realized. If in a subsequent period increases or decreases of estimated impairment loss due to an event that occurred after the impairment are monitored, the previously recognized impairment loss is adjusted within the adjustment account as income increases or decreases. If a fully derecognized claim due to an event that occurred after the derecognition, requalifies as collectible later on, the corresponding amount is recorded directly against the financial expenses.

Available-for-sale financial assets

The Group determines for available-for-sale financial assets at each reporting date whether there is objective evidence that an asset or group of assets is impaired .

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the instrument below its cost would be an objective indication. The criterion "significant" is based on the original cost of the investment and the criterion "prolonged" based on the period in which the fair value below original cost was measured. If there's evidence of an impairment, the cumulative loss - as the difference from the acquisition cost and the current fair value less a possible earlier profit or loss booked impairment loss on this instrument – is deducted from other income and the income statement

recorded. Impairment losses for equity instruments recognized are irreversible; a subsequent increase of in fair value will be recognized in other income.

Deciding on means "significant" or "prolonged" is a subjective judgment call. As part of this discretionary decision, the Group assesses, among other factors, the duration and extent to which the fair value of a financial investment is below its acquisition cost.

The determination of the impairment of available for sale debt instruments uses the same criteria as for financial assets measured at amortized cost. However, the amount recognized for impairment is the accumulated loss resulting from the difference between the amortized cost and the current fair value less any impairment loss previously recognized in profit or loss on that instrument. The reduced carrying amount of the asset continues to include future interest income; the determination is made using the interest rate used to discount future cash flows when determining the impairment charge. Interest income is recognized as part of financial income. If the fair value of a debt instrument increases in a subsequent reporting period and the increase can be objectively attributed to an event occurring after the impairment has been recognized in profit or loss, the amount of the reversal is recognized in profit or loss.

5. Financial liabilities initial recognition and measurement

Financial liabilities are initially classified as financial liabilities at fair value through profit or loss, as loans or as liabilities .

All financial liabilities are measured at fair value upon initial recognition, and in the case of loans and liabilities less directly attributable transaction costs .

The Group's financial liabilities include trade and other payables and loans, including overdrafts .

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification. The Group has classified financial liabilities as loans. No financial liabilities were classified as at fair value through profit or loss.

The category of "loan" has the greatest importance for the consolidated financial statements. After initial recognition, interest-bearing loans using the effective interest method are continuously measured at amortized cost. Gains and losses are recognized in profit or loss, when the liabilities are derecognized, as well as through amortization using the effective interest method.

Amortized cost are calculated taking into account any agio or discounts on acquisition as well as fees or costs which represent an integral part of the effective interest rate. The amortization using the effective interest rate method is included in the income statement as part of the financial expenses.

Usually interest-bearing loans are part of this category .

Derecognition

A financial liability is derecognized when the underlying obligation it is fulfilled, due to the cancellation or expiry. If an existing financial liability is replaced by other financial liability of the same lender with substantially different terms, or the terms of an existing liability are substantially modified, such exchange is dealt as a de-recognition of the original liability and recognition of a new liability. The difference between the respective carrying amounts is recognized as profit or loss.

(i) Settlement of financial instruments

Financial assets and liabilities are netted and the net amount is recognized in the consolidated balance sheet if there is a legal right to offset the amounts recognized and if it is intended, to settle on a net basis or simultaneously settle the related liability when the asset is realized.

(j) Impairment of non-financial assets

At each balance sheet date, the Group determines whether there are indications of an impairment of non-financial assets. If such evidence or an annual review of an asset impairment is detected, the Group estimates the recoverable amount of the respective asset. The recoverable amount of an asset is the higher of the fair value of an asset or a cash-generating unit less costs to sell and its operating value. The recoverable amount is to be determined, unless an asset generates no cash inflows that are largely independent of those from other assets or groups of assets for each individual asset. If the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount particularly applicable, such asset or cash-generating unit is impaired and is written down to its recoverable amount.

The expected future cash flows based on a discount rate before tax, which reflects the current market expectations in terms of interest and the risk specific to the asset, are determined using the discounted present value. Recent market transactions are taken into account for the determination of the fair value less costs to sell. If no such transactions are identified, an appropriate valuation model is applied.

Such model is based on valuation multiples, exchange rates of exchange-traded shares in companies or other available indicators of the fair value.

The Group sets detailed budget and forecast calculations underlying its impairment assessment, which are created separately for each of the cash-generating units of the Group and certain assets associated with. Such budget- and forecast calculations generally cover three years. After the third year, a long-term growth rate is determined and applied to forecast of future cash-flows.

Impairment of the continuing business operations are recognized in the categories of expenses, that correspond to the function of the impaired asset in the company. This does not apply for previously newly measured assets unless the capital gains from the revaluation were included in other income. Thus said, also the write-down is recognized in other income to the extent of the amount from a previous revaluation.

For assets other than goodwill, an assessment is made at each reporting date to determine whether there is any indication that a previously recognized impairment loss no longer exists or has decreased. If there are such indications, the Group estimates the recoverable amount of the asset. A previously recognized impairment loss is reversed only if since the capture of the last impairment loss a change of assumptions appeared, which were used to determine the recoverable amount. The reversal of an impairment is limited to the amortized costs before an impairment. Impairments are recognized in profit and loss statements.

Goodwill is reviewed at least once a year (as of December 31). A review also takes place when circumstances indicate that the value could be mitigated. The impairment is determined by determining the recoverable amount of the cash-generating unit (or group of cash-generating units) associated with the goodwill. If the recoverable amount of the cash-generating unit is less than the carrying amount of this unit, an impairment loss is recognized. An impairment loss that was recognized may not be reversed in subsequent reporting periods.

k) Cash and cash equivalents

The item "Cash and cash equivalents" in the balance sheet includes cash on hand, positive bank account balances and short-term deposits with a maturity of less than three months, which are subject to only a minor risk of fluctuations in value.

For purposes of the statement of cash flows cash and cash equivalents this includes the above defined cash and short-term deposits less used overdrafts, since this is an integral part of cash management of the Group.

(l) Provisions

A provision is recognized when the Group has a present (legal or de-facto) obligation as a result of a historical event, the outflow of resources embodying economic benefits is probable and a reliable estimate of the amount of the obligation can be made. If the Group at least partially expects a refund for a provision that has been recognized (e.g. in the case of an insurance contract), the reimbursement is recognized as a separate asset if the inflow of the reimbursement is virtually certain. The effort of backing a provision minus the reimbursement is reflected in the profit and loss account.

If an interest effect resulting from a discounted cash-flow is material, provisions are discounted with an interest rate before taxes, the interest reflects the risks specific to the liability. The interest of provisions is recognized in other interest income.

(m) Revenue recognition

Revenues from services are recognized if the services have been provided, a price has been agreed or can be determined and the payment of which is probable. In the case of framework agreements for services, services provided are billed on a regular basis, generally on a monthly or quarterly basis.

Revenues from contracts that contain multiple elements are recognized when the respective contract component has been delivered or provided. Revenue recognition is based on objectively verifiable relative fair values of the individual contractual components.

Revenues are shown net of discounts.

(n) Estimates and assumptions

Preparing the CFS the management takes discretionary decisions, estimates and assumptions, about the amount of reported income, expenses, assets, liabilities and corresponding information as well as the indication of potential contingent liabilities.

The uncertainty associated with these estimates and assumptions, may lead to significant adjustment of the carrying amount of the affected assets or liabilities, due to the actual results in the future.

The main future-related assumptions and other at the balance sheet date existing key factors of uncertainty linked to estimates, which cause a significant risk that within the subsequent financial year a material adjustment to the carrying amounts of assets and liabilities might become necessary, are described in the notes where applicable.

The estimates and assumptions of the Group are based on parameters that were available at the time of the preparation of the CFS. This status-quo and the assumptions about future developments, due to market movements and market conditions, which are beyond the control of the Group, however might experience changes. Such changes are considered in the assumptions only after their appearance.

The reporting currency is Euro. The degree of precision (T€, €) of the amounts is specified accordingly.

Change of accounting and valuation methods

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

Standard	Topic	Amendment/Change	Application date in the EU	Impact
IAS 7	Information initiative	Changes in presentation of cash-flows.	01 Jan2017	Principal importance
IAS 12	Deferred tax claims for unrealized losses approach	Change	01 Jan.2017	Principal importance

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

Amendment to IAS 7 Cash-flow statements: disclosure initiative

The change requires companies to provide information about any changes of liabilities from financing activities, which include both, cash and non-cash changes (for example, gains or losses on calculated FX-conversions). In 2017 the amendment to IAS 7 was not relevant to capsensixx Group as there were no such changes in liabilities from financing activities.

Amendment to IAS 12 Income taxes: approach of deferred tax claims for unrealized losses

The amendment clarifies that a company within the context of the deductibility of a future reversal up to deductible difference which is due to unrealized losses, must take into account, whether tax laws in the future might limit the sources of taxable income, by which these deductible temporary differences could be deducted. In addition, the amendment contains guidelines for companies, how to determine taxable income and to what extent a realization of assets beyond their carrying amount can be taken into account.

The Group has applied the changes in 2017. Their application has had no effect on the assets, income and financial position of the Group, since it has no deductible temporary differences or tax claims that fall within the scope of the changes.

Improvements of IFRS between 2014-2016

Amendment of IFRS 12 Information on shares in other companies: clarification of the scope of the disclosure requirements in accordance with IFRS 12

The amendment clarified, that the disclosure requirements in IFRS 12 with the exception of IFRS 12.B10 – B16 apply for shares of a company in a subsidiary, joint-venture or associated companies (or parts of its shares in a joint-ventures or associate companies), classified as held for-sale (or belonging to a group of disposable assets, that is classified as held for sale-held). These changes had no impact on the CFS.

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

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

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

Standard	Topic	Amendment/change	Application date in the EU	Impact
IFRS 14	Regulatory expenses and deferred	Separate disclosure of regulatory deferrals in the balance sheet and income statement, as well as additional disclosures in the notes.	Open	None
IFRS 15	Revenue from contracts with customers	Replacement of the rules of proceeds in IAS 11, IAS 18 and the relate interpretations. Guideline, when and to what extent revenue is to be captured.	Fiscal years beginning on or after 1 Jan. 2018.	Principal importance

Standard	Topic	Amendment/change	Application date in the EU	Impact
IFRS 10, IAS 28	Sale or transfer in kind of assets between an investor and an associated company or a joint-venture	Clarification of the extent of profits recognized on transactions with associated companies or joint-ventures.	Open	Principal importance
IFRS 9	Financial instruments: Classification and measurement	With initial recognition, financial assets are classified in the future in the categories of either "the fair value measurement" or "measurement at amortized cost".	Fiscal years beginning on or after 1 Jan. 2018.	None
IFRS 16	Leases	Lapse of distinction between finance- and operating leases at the level of the lessee.	Fiscal years beginning on or after 1 Jan. 2019.	Identification of all leases in the balance sheet
IAS 12	Tax uncertainties	Recognition of active, deferred taxes on unrealized losses.	Open	Principal importance
IFRIC 22	Foreign currency transactions and advance payments	Clarification on accounting of business transactions, which include a receipt or payment of consideration in foreign currency.	Open	Principal importance
IFRS / IAS	Annual improvements	cycle 2014-2016: Changes to (IFRS 1, IFRS 12 and IAS 28)	Open	Principal importance
IFRS 2	Classification, valuation of share-based compensation	The performance condition include accounting bar full of share-based compensation; Classification of share-based compensation; Accounting modifications of share-based payment transactions.	Open	Principal importance
IFRS 4	Application of IFRS 9 financial instruments under IFRS 4 insurance contracts	Voluntary application of overlay approach or deferral approach.	Fiscal years beginning on or after 1 Jan. 2018.	None
IAS 40	Application of real estate / property held for investment	Determination / timing of transfers to or off a portfolio of real estate / property held for investments.	Open	None
IFRS 17	Insurance contracts	Provision of relevant information by the companies to provide a reliable	Open	

Standard	Topic	Amendment/change	Application date in the EU	Impact
		representation of the insurance contracts.		
IFRIC 23	Income tax treatment	Application on taxable profits (tax losses, tax base, unused tax losses, unused tax credits and tax rates), if there is uncertainty regarding the income tax treatment according to IAS 12.	Open	
IFRS 9	Financial instruments: Classification and measurement	Change: - Valuation of financial assets with equal termination rights - Modification of financial liabilities	Open	
IFRS 15	Revenue from Contracts with Customers	Clarifications (amendments to clarify the IASB's intentions when developing IFRS 15)	Fiscal years beginning on or after 1 Jan. 2018.	
IAS 28	Shares in associated companies	Change: Compulsory application of IFRS 9 on accounting of certain forms of business	Open	

The following new or amended standards and interpretations are already adopted by the IASB, but are not yet mandatory. The Group has not applied the rules yet .

IFRS 9 financial instruments

IFRS 9 contains provisions for the recognition, the valuation and de-recognition of financial instruments.

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

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

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

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

Subject to an analysis of financial assets and financial liabilities of the Group as of 31 December 2017, as well as the facts existing at that time and circumstances, the Board has undertaken a preliminary assessment of the impact of IFRS 9 to the CFS, which is further described below:

Classification and assessment:

Shares and other variable-income securities are classified as available-for-sale assets. For these instruments the value adjustments in the OCI can (optional) be shown, which means that the changes accumulated in the revaluation reserve for investments at fair value no longer need to be reclassified in the profit and loss account. This has impact on the profit and loss account, as well as other results of the Group, but not to the overall result. If the option is not exercised, a mapping of the valuation adjustment in the profit and loss account is applicable.

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

Impairment:

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

Overall, the Management Board estimates that the application of the new model for impairment will lead to a previous recognition of expected losses for the corresponding instruments. The potential impact on the Financial Statements is not material.

It should be noted that the above estimates are based on an analysis of financial assets and financial liabilities of the Group as of 31 December 2017, as well as the facts existing at that time and the relevant circumstances. Date of initial application of IFRS 9 is 1 January 2018, as the Group intends no retrospective adoption.

IFRS 15 Proceeds from contracts with customers

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

- its contracts with customers,
- significant estimates and amendments, which were made in applying the provisions of the revenue on these contracts,
- any assets, resulting from recognized costs to obtain or cost to fulfil a contract with a customer .

IFRS 15 shall not be adopted retrospectively. Analyses performed by Management Board indicate that the application of the new model for impairment will not lead to a material effect.

IFRS 16 leases

IFRS 16 contains a comprehensive model for the identification of leasing agreements and accounting for the lessor and the lessee.

IFRS 16 in principle applies to all leases. Leasing relationships are in the scope of this standard, if the lessor grants the right to control an identified asset for a specified period of time to the lessee and the lessor receives a compensation by the lessee in exchange.

For the lessee there is no distinction in operating and finance leasing for accounting purpose. Instead, the lessee for all leases subsequently has to recognize the right of use of a leased asset (so called "right-of-use asset" or RoU asset value),

as well as a corresponding lease liability. Exceptions do only exist for short-term leases and leasing agreements on low-value assets. The value of the RoU asset at time of access corresponds to the value of the leasing liability plus any initial direct costs of the lessee.

RoU assets are assessed at amortized cost in the subsequent periods. The leasing liability is calculated as the present value of the lease payments that will be paid during the term of the lease. The carrying amount of the leasing liability by applying the interest rate used for discounting is compounded and reduced of leasing payments. Changes in the lease payments lead to a reassessment of the leasing liability.

In addition, the disclosure requirements for lessees and lessors in IFRS 16 compared to IAS 17 have become considerably more extensive. Objective of the disclosure requirements, is the communication of information to readers of the financial statements, to improve their understanding, about what impact leases have on the assets, the financials and the earnings.

On 31 December 2017, the Group had financial liabilities from non-cancellable leases amounting to EUR 6.0 million (2016: EUR 5.7 million; 2015: EUR 5.4 million). IAS 17 neither requires capturing a RoU asset nor a leasing liability for these future payments. An overview is stated in the notes in section G.

A preliminary assessment suggests that these agreements meet the definition of a lease under IFRS 16 and the Group therefore is requested to recognize corresponding RoU assets and leasing liabilities applicable due to IFRS 16, as long as in the specific cases, the exceptions for short-term leases or low-value assets are not accessible. It is assumed that this has a significant impact on the financial statements of the Group.

Management Board is currently examining the potential impact on financial statements of the Group. A reliable estimate of the amount of the financial effect can only be taken after completing this review.

(D) INFORMATION ON CONSOLIDATION AND CONSOLIDATION METHODS

Information on subsidiaries

Group accounting instructions The individual financial statements of the companies combined use the accounting and valuation principles as set out by PEH Wertpapier AG .

Scope of consolidation

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

Company	Nominal capital	Share of the Nominal capital
Axxion S.A., Grevenmacher, Luxembourg	€ 1,500,000.00	50.0001%
navAXX S.A., Grevenmacher, Luxembourg („navAXX“)	€ 1,000,000.00	100.00%
Axxion Deutschland Investment AG, Frankfurt am Main („ADIT“)	€ 100,000.00	100.00%
Axxion Revolution Fund - ONE, Grevenmacher, Luxembourg („Revolution Fund“)		99.53%

Oaklet GmbH, Frankfurt am Main („Oaklet“)	€ 63,700.00	53.86%
Oaklet S.A., Wasserbillig, Luxembourg („Oaklet S.A.“)	€ 125,000.00	100.00%

Oaklet S.A. was acquired by Oaklet as of 1 July 2015, for a purchase price of € 36,000. Main reasons for the acquisition were in particular the licenses of the Oaklet S.A. for financial businesses in Luxembourg. Acquiring Oaklet S.A. created a goodwill in an amount of T€ 44.

Proportion of non-controlling interests in activities and Cash Flows of the Group (IFRS 12.12)

Name of the subsidiary	Axxion (incl. navAXX, ADIT, Revolution Fund)			Oaklet (incl. Oaklet S.A.)		
	Grevenmacher, Luxembourg			Frankfurt, Germany		
Registered address of the subsidiary	2017	2016	2015	2017	2016	2015
Non-controlling interests (as applied in CFS)	49.99%	49.99%	49.99%	46.14%	46.14%	46.14%
	T€	T€	T€	T€	T€	T€
Profit	3,908	3,434	4,180	1,069	637	650
thereof allocated to non-controlling interests	1,954	1,717	2,090	494	294	300
Revenue	112,651	63,025	66,862	3,549	2,520	2,593
thereof allocated to non-controlling interest	56,326	31,513	33,431	1,638	1,163	1,196
Other income	22	4	0	55	-23	79
thereof allocated to non-controlling interests	11	2	0	25	-10	37
Equity at the end of the period	9,056	7,525	7,088	2,425	2,287	3,037
thereof allocated to non-controlling interests	4,528	3,763	3,544	1,119	1,055	1,401
Dividend payments in the current year	2,400	3,000	2,700	985	1,366	796
thereof allocated to non-controlling interests	1,200	1,500	1,350	455	630	367
Assets	53,042	22,039	22,587	3,969	2,970	3,936
thereof allocated to non-controlling interests	26,521	11,020	11,294	1,831	1,370	1,816
Debt	43,985	14,514	15,499	1,544	683	899
thereof allocated to non-controlling interests	21,993	7,257	7,750	712	315	415

Change in cash funds	235	-2,167	1,321	929	-884	-158
thereof allocated to non-controlling interests	118	-1,083	660	429	-408	-73

Information on translation of foreign currencies

All entities in the Group use euro as functional currency. Currency translation results from assets and liabilities in foreign currencies. Foreign currency conversion is performed at date of transaction. The monetary items (cash and cash equivalents, receivables and liabilities) are measured at the closing rate at the balance sheet date. Currency translation differences are recognized in the profit and loss statement.

The USD closing price as of 31 December 2017: 1.20 USD per € 1 (2016: 1.05 USD/€; 2015: 1.09 USD/€). The CAD closing price as of 31 December 2017: 1.50 CAD per € 1 (2016: 1.42 CAD/€; 2015: 1.50 CAD/€). The CHF closing prices as of 31 December 2015: 1.09 CHF per € 1.

Assets and liabilities break-down as of 31 December 2017 by currency is as follows:

	Total	Thereof, in T€	Thereof, in USD/CAD/CHF
Assets	57,111	57,047	64
Liabilities	51,177	51,177	0
Total	5,934	5,870	64

Assets and liabilities break-down as of 31 December 2016 by currency is as follows:

	Total	Thereof, in T€	Thereof, in USD
Assets	25,276	25,110	166
Liabilities	20,091	19,974	117
Total	5,185	5,136	49

Assets and liabilities break down as of 31 December 2015 by currency is as follows:

	Total	Thereof, in T€	Thereof, in USD/CAD
Assets	26,290	25,539	751
Liabilities	21,189	21,189	0
Total	5,101	4,350	751

Changes in exchange rates (+/- 10%) have no material effects on equity of the Group.

(E) INFORMATION ON THE COMBINED PROFIT AND LOSS STATEMENT BALANCE SHEET

(1) Revenues and cost of materials

Revenues in 2017 amounted to € 116,200 (2016: € 65,544; 2015: € 69,455) and resulted mainly from administration services on assets under administration within funds, depositaries and securitizations .

Cost of materials in 2017 amounted to € 96,583 (2016: € 48,768; 2015: € 52,486) and resulted mainly from management fees, portfolio commissions and performance fees as well as advisory fees.

(2) Other operating income

in T€	2017	2016	2015
Revenues from all-in-fees to cover costs incurred in relation to clients business	197	171	401
Revenues from IT services and financial accounting services provided by navAXX	337	247	242
Sub-total other operating income relating to services provided to customer	534	418	643
Non-monetary benefits arising from the use of private car	144	163	162
Income from currency conversion	13	26	0
Income from sale of fixed assets	0	52	0
Insurance compensation	0	59	0
Income from the reversal of accruals	0	38	18
Other operating income	3	4	120
Total	694	753	943

(3) Personnel expenses

The personnel expenses in 2017 amounted to T€ 6,739 (2016: T€ 5,895; 2015: T€ 5,382).

(4) Other operating expenses include

in T€	2017	2016	2015
Rental expenses	1,273	894	739
Administrative expenses on Funds	1,546	942	494
Communication, Office supplies	1,002	1,556	1,987
Legal, consulting, acquisition and audit costs	562	433	797
Travel costs, vehicle costs	345	366	397
Advertising, Public Relations	241	327	178
Insurance, contributions	105	74	68
Wealth tax	26	27	23
Currency conversions	7	31	37
Fixed asset sales	0	75	0

Other	326	360	413
Total	5,433	5,085	5,133

(5) Taxation

Taxes on income and earnings in 2017 amount to T€ 2,241 (2016: T€ 1,772; 2015: T€ 2,048) and consist of T€ 2,196 (2016: T€ 1,770; 2015: € 2,216) of the taxes for the current fiscal year and T€ 44 (2016: T€ 2; 2015: T€ 79) expenses (+) or refunds (-) for taxes of previous years.

in T€	2017	2016	2015
Actual taxes	2,150	1,800	2,048
Deferred tax claims	90	-28	0
Total	2,241	1,772	2,048

The actual taxes are calculated on the basis of the tax results of the fiscal year. Taking into account of corporate income tax, solidarity tax and trade income tax, the total tax burden for the year 2017 is 32.0% (2016: 32.0%; 2015: 32.00%) in Germany. The tax burden based on the corporate tax burden, as well as the trade tax burden at the headquarters of the company

The following table represents the reconciliation between the income taxes derived from the result before taxes and income taxes in the profit and loss statement (reconciliation).

in T€	2017	2016	2015
Profits before income taxes	8,948	7,810	8,925
Not tax-related entries (Profit from subsidiaries, profits in the Group's goodwill amortization)	1,730	1,966	2,048
Basis for calculation of the tax expenses expected (Profit before tax)	7,217	5,843	6,878
Expected tax expense	-2,333	-1,798	-2,236
Changes due to tax-exempt income	234	0	38
Tax effect of certain non-deductible expenses	2	2	20
Tax effects from valuation differences on the tax balance sheet	-9	-2	-1
Deferred tax income due to setting in loss carry-forward	0	28	0
Deferred taxes from the use of loss carry-forwards	-90	0	53
Tax of current year income and earnings	-2,196	-1,770	-2,126
Tax refund previous years	-44	-2	79
Taxes on income and earnings	-2,241	-1,772	-2,048

Composition of the deferred tax claims in the balance sheet for each type of temporary differences:

in T€	2017	2016	2015
Deferred tax claims on existing loss carry-forwards	105	195	167
Deferred tax entitlement total	105	195	167

Of which income	90	28	0
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Loss carry-forwards at end of 2017 of Oaklet S.A. amounting to a total of T€ 373 (2016: T€ 619; 2015: T€ 530).

The deferred tax claims on existing loss carry-forwards will be determined on the basis of earnings and tax planning of the next three years. Loss carry-forwards be evaluated only in the amount of the expected future tax benefits, if the planning calculations show that the losses can be recovered within the next 3 years. No need for adjustments resulted in 2017, 2016 and 2015.

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

in T€	2017	2016	2015
Deferred tax liabilities from differences in the valuation of securities	108	76	0
Deferred tax liabilities total	108	76	0
Of which income	0	0	0

The recorded deferred tax claims in the profit and loss account for any kind of temporary differences effective on the profits are shown in the following table:

in T€	2017	2016	2015
- deferred tax expense from the consumption of loss carry-forwards	-90	0	0
- deferred tax income from the setting into the loss carry-forwards	0	28	0
= - deferred tax expense / + deferred tax income	-90	+28	0

(6) Statement of other comprehensive income

The statement of other comprehensive income is calculated according to IAS 1. The income statement shows the not-for-profit recorded result components in other income.

In the years 2017, 2016 and 2015 the other comprehensive income consisted of income collected due to Fair value measurement of securities at the respective balance sheet date, as well as the resulting tax impact.

The allocation of the net profit to the non-controlling interests and the equity investors is also represented. In this respect, please refer to section D, Information on consolidation and consolidation methods.

(F) INFORMATION ON THE COMBINED BALANCE SHEET

Assets

(7) Goodwill

The goodwill arose from the acquisition of shares of the Oaklet S.A. in the fiscal year 2015 amounting T€ 44.

Impairment on goodwill is made according to IAS 36, if the recoverable amount falls below its carrying amount.

The impairment tests carried out on the dates 31 December 2017, 31 December 2016 and 31 December 2015 the use value was determined for the subsidiary Oaklet S.A on the basis of the future expected cash-flows following the entity approach (WACC-approach).

On basis of this impairment test, no impairment of goodwill has been recognized.

The cash flows of the subsidiary were determined from the financial plans of the subsidiary created by the management for the next three years. The estimate of future results and capital requirements requires an assessment of the expected developments of the relevant markets and the macroeconomic, in addition to a consideration of the past and actual performance and regulatory environment. The earnings forecasts are, if necessary, adapted to a sustainable level of earnings. Thereafter, a constant or a transition is assumed to be a constant increase. The basis for this is a long-term growth rate based on expectations for the development of gross domestic product and the inflation rate.

The individual cash-flows are determined with an interest rate that is adjusted to the equity and debt capital ratios of the subsidiary (WACC). The borrowing costs are based on the base interest rate plus a risk premium. Equity interest rates are calculated on the basis of a risk-free base rate, a market risk premium and a factor for the systematic risk (beta factor). All factors are set using external information sources; the discount rate (WACC) for the cash flows of the years 2018, 2019 and 2020 is 7.5%. The expected cash flows of the year 2020 are assumed as consistently and the present value of these payments is calculated as the perpetuity, taking into account a reduction of growth by 0.5%.

- The significant assumptions used are as follows:
- Rising deposit volumes and margins
- Stable macroeconomic environment
- The key assumptions are based on a combination of internal and external sources
- Management estimates the potential for synergies based on the progress made so far in various initiatives
- The assumptions about business growth and efficiency are based on assessments of the Management Board
- Uncertainties in the regulatory environment and their impacts are still unpredictable at this stage
- Uncertainties in relation to turnover and loss of employees in key positions in certain sectors
- Strong increase in revenues by increasing the volume of administered
- Almost constant costs
- WACC 2017: 7.5%

Validation, for the cash-generating unit identified use value, the main value drivers of the cash-generating unit are reviewed annually. In addition, major assumptions for the valuation model, such as interest rates and earnings forecasts, are subjected to a sensitivity test to test the resilience of the use value. There is no impairment resulting in reporting period.

(8) Other intangible assets and tangible assets

Below, we have presented the major development of fixed assets:

The depreciation are generally on a straight-line basis over the time of the useful life indicated.

The position of IT-software essentially includes an accounting software of navAXX S.A.in the years 2017, 2016 and 2015.

The residual carrying amount has developed over the years 2017, 2016 and 2015 as follows:

- 2017: T€ 1,763 and an average remaining useful life of three years.
- 2016: T€ 2,024 and an average remaining useful life of four years.
- 2015: T€ 206 and an average remaining useful life of one year.

The advance payments have been

- made in 2017 for new office and business facilities, as well as for the development of the fund accounting software.
- made in 2016 for new office and business facilities, as well as for the development of the fund accounting software.
- made in 2015 for the new fund accounting software.

In the profit and loss accounts, the amortization of intangible assets in 2017, 2016 and 2015 are grouped together with depreciation of tangible fixed assets in the line item "depreciation and amortization".

Combined development of fixed assets (advanced direct gross method) of the capsensixx AG in accordance with IFRS

Fixed assets as of 31 Dec. 2017

	Acquisition and production costs					Depreciation and amortization					Carrying amount	Carrying amount	
	Gross value	+ reclassifications	+ Additions	- Disposals	- reclassifications	Gross value	Carry forward	+ Additions as a result of initial consolidation	Depreciation within the Financial Year	Disposals	Total	31 Dec. 2017	31 Dec. 2016
	1 Jan. 2017					31 Dec. 2017	1 Jan. 2017				31 Dec. 2017		2016
	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€
I. <u>Intangible assets</u>													
IT-software	2,413	96	236	0	0	2,745	387	0	579	0	966	1,779	2,027
Goodwill	44	0	0	0	0	44	0	0	0	0	0	44	44
Down payments	97	0	65	0	-96	66	0	0	0	0	0	66	97
	<u>2,554</u>	<u>96</u>	<u>301</u>	<u>0</u>	<u>-96</u>	<u>2,855</u>	<u>387</u>	<u>0</u>	<u>579</u>	<u>0</u>	<u>966</u>	<u>1,889</u>	<u>2,168</u>
II. <u>Tangible fixed assets</u>													
Office and business equipment	2,025	234	381	-3	0	2,637	1,312	0	397	-3	1,706	932	713
payments on account and assets under construction	233	0	1	0	-234	0	0	0	0	0	0	0	233
	<u>2,258</u>	<u>234</u>	<u>382</u>	<u>-3</u>	<u>-234</u>	<u>2,637</u>	<u>1,312</u>	<u>0</u>	<u>397</u>	<u>-3</u>	<u>1,706</u>	<u>932</u>	<u>946</u>
Total as of 31 Dec. 2017	4,812	330	683	-3	-330	5,492	1,699	0	976	-3	2,672	2,821	3,114

Combined development of fixed assets (advanced direct gross method) of the capsensixx AG in accordance with IFRS

Fixed assets as of 31 Dec. 2016

	Acquisition and production costs					Depreciation and amortization					Book value		Book value	
	Gross value	+ reclassifications	+ Additions	- Disposals	- reclassifications	Gross value	Carry forward	+ Additions as a result of initial consolidation	Depreciation within the Financial Year	Disposals	Total	31 Dec. 2016	31 Dec. 2015	
	1 Jan. 2016					31 Dec. 2016	1 Jan. 2016				31 Dec. 2016	31 Dec. 2016	31 Dec. 2015	
	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€	
I. Intangible assets														
IT-software	826	1,719	513	-645	0	2,413	619	0	393	-626	386	2,027	206	
Goodwill	44	0	0	0	0	44	0	0	0	0	0	44	44	
Down payments	830	0	986	0	-1,719	97	0	0	0	0	0	97	830	
	<u>1,700</u>	<u>1,719</u>	<u>1,499</u>	<u>-645</u>	<u>-1,719</u>	<u>2,554</u>	<u>619</u>	<u>0</u>	<u>393</u>	<u>-626</u>	<u>386</u>	<u>2,168</u>	<u>1,080</u>	
II. Tangible fixed assets														
Office and business equipment	2,185	0	95	-255	0	2,025	1,149	0	359	-196	1,312	713	1,036	
payments on account and assets under construction	0	0	233	0	0	233	0	0	0	0	0	233	0	
	<u>2,185</u>	<u>0</u>	<u>328</u>	<u>-255</u>	<u>0</u>	<u>2,258</u>	<u>1,149</u>	<u>0</u>	<u>359</u>	<u>-196</u>	<u>1,312</u>	<u>946</u>	<u>1,036</u>	
Total as of 31 Dec. 2016	3,885	1,719	1,827	-900	-1,719	4,812	1,768	0	752	-822	1,698	3,114	2,116	

Combined development of fixed assets (advanced direct gross method) of the capsensixx AG in accordance with IFRS

Fixed assets as of 31 Dec. 2015

	Acquisition and production costs					Depreciation and amortization					Book value	Book value	
	Gross value	+ Additions	+ Additions	- Disposals	- reclassifications	Gross value	Carry forward	+ Additions as a result of initial consolidation	Depreciation within the Financial Year	Disposals	Total	31 Dec. 2015	31 Dec. 2014
	1 Jan. 2015					31 Dec. 2015	1 Jan. 2015				31 Dec. 2015	2015	2014
	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€	T€
I. Intangible assets													
IT-software	806	0	22	-2	0	826	427	0	195	-2	620	206	379
Goodwill	0	0	44	0	0	44	0	0	0	0	0	44	0
Down payments	0	0	830	0	0	830	0	0	0	0	0	830	0
	806	0	896	-2	0	1,700	427	0	195	-2	620	1,080	379
II. Tangible fixed assets													
Office and business equipment	1,837	3	387	-42	0	2,185	808	0	371	-31	1,148	1,036	1,028
payments on account and assets under construction	0	0	0	0	0	0	0	0	0	0	0	0	0
	1,837	3	387	-42	0	2,185	808	0	371	-31	1,148	1,036	1,028
Total as of 31 Dec. 2015	2,643	3	1,283	-44	0	3,885	1,235	0	566	-33	1768	2,116	1,407

(9) Non-current financial assets

Non-current assets are mainly composed of a loan to UF Beteiligungs UG, Frankfurt am Main. The loan is due on 31 January 2023 and was granted for the acquisition of Oaklet shares in 2014 and 2016.

	2017	2016	2015
Loan to UF Beteiligungs UG	558	646	559
Tenancy security deposits (long term)	4	0	0
Total	562	647	560

(10) Trade receivables

The trade receivables have a maturity of up to three months in the years 2015 to 2017. In the reporting period receivables were not overdue, allowances or impairments of receivables were not necessary.

in T€	2017	2016	2015
0-3 month	44,442	13,104	14,531
3-12 month	76	20	0
more than 12 month	8	15	0
Total	44,526	13,140	14,531

(11) Income tax assets

in T€	2017	2016	2015
Income taxes receivables from foreign tax authorities	96	112	0
Income taxes receivables from national tax authorities	43	0	77
Total	139	112	77

Income tax receivables are due within 3 to 12 months.

(12) Short term financial assets

in T€	2017	2016	2015
Receivables from related parties	0	1,675	600
Deferred expenses	123	119	100
Advances value added tax payments	15	6	5
Tenancy security deposits (short term)	14	131	0
Prepaid fees for the set up of funds which can be recovered	13	21	33
Other financial assets	295	205	381
Total	461	2,156	1,119

Receivables from related parties relate to a short term loan in 2016 to Trivium S.A. and a short term loan in 2015 to fo.con S.A. fo.con S.A. owns 49,99% of the shares of Axxion S.A.. Furthermore Trivium S.A. owns 80% of the shares of fo.con S.A.

Value Added Taxes listed in the table do not represent financial assets

in T€	2017	2016	2015
Up to 3 month	446	351	519
3 month to one year	14	1,806	600
Total	460	2,157	1,119

In the reporting period receivables were not overdue, allowances or impairments of receivables were not necessary.

(13) Available-for-sale financial assets

This position covers in 2017 an amount of total T€ 3,536 (2016: T€ 1,947; 2015: T€ 1,204) in listed securities, mainly funds shares, which serve as the liquidity reserve and generally allocated to the trading book. These securities represent the available-for-sale financial assets. The valuation is set at the market prices applicable at the balance sheet date.

Profit participation right of T€ 815 (2016: T€ 757; 2015: T€ 763), Please refer to note 17.

In 2017 Securities held in foreign currencies amounted to T€ 7 and the years 2016 and 2015 in no significant amount.

The gains/losses from the valuation for shares and other variable-yield securities at fair value recorded in 2017 in the amount of total T€ 78, in 2016 in the amount of total T€ -125 and in 2015 in the amount of total T€ 79 were recognized directly in the combined statement of comprehensive income.

(14) Cash and chash equivalentents

The item includes only deposits with credit institutions and foreign currency denominated amounts in the amount of T€ 4,961 (2016: T€ 40; 2015: T€ 742). The balances with banks are due daily.

Equity and Liabilities

Equity capital

The share capital as of 31 December 2017 amounts to € 100,000.00 (2016: € 100,000.00; 2015: € 100,000.00) and is divided into 100,000 shares. The share capital of capsensixx AG is fully paid up. As of 31 December 2017 total equity amounted € 5,934,003.23 (2016: € 5,094,181.80; 2015: € 5,279,610.80), without equity relating to the non-controlling interest.

The capital management of the Group aims to strengthen the equity base and to earn an adequate return on capital. However, the accounting capital of the Group only serves as a passive control criterion, while revenue, net profit, cash flow and equity ratio are used as active performance indicators.

Through ongoing planning and control of cash-flows, the Group ensures the availability of sufficient financial resources at any time.

(15) Subscribed capital

Subscribed capital of capsensixx AG on the 31 December 2017 is T€ 100.
In the CFS that amount on 31 December 2016 and 31 December 2015 is considered unchanged .

(16) Retained earnings

Development retained earnings/net profit	T€
As of 1 Jan. 2015	1,436
+ Net profit / - Loss	2,440
- Distributions	-1,778
As of 31 Dec. 2015 / 1 Jan. 2016	2,098
+ Net profit / - Loss	-2,060
- Distributions	-2,236
As of 31 Dec. 2016 / 1 Jan. 2017	1,922
+ Net profit / - Loss	2,529
- Distributions	-1,730
As of 31 Dec. 2017	<u>2,721</u>

Available-for-sale reserve	T€
As of 1 Jan. 2015	9
+/- Change	43
As of 31 Dec. 2015 / 1 Jan. 2016	52
+/- Change	10
As of 31 Dec. 2016 / 1 Jan. 2017	42
+/- Change	41
As of 31 Dec. 2017	83

According to paragraph 150 (2) AktG, a joint-stock company has to form a legal reserve. To this, the twentieth part of the profit reduced of a loss carried forward from the previous year is to be booked until the reserve and the capital reserves reach the tenth or the higher proportion of the share capital as specified in the articles of association. The articles of association of the capsensixx AG provides no derogation from the law.

(17) Equity compensation item

The equity compensation results from initial combination for the entire reporting period is T€ 2,670. For reference please refer to section B of the notes

(18) Retained adjusted consideration

The line item remains unchanged during the entire period is T€ 360. For reference please refer to section B of the notes

(19) Trade payables and other operating payables

The liabilities towards service providers in 2017 amounted to T€ 42,516 (2016: T€ 12,024; 2015: T€ 13,691) and are due up to 3 months.

(20) Other long term liabilities

Other long term liabilities are related to liabilities due to lease contracts of the Group. For reference please refer to section H of the notes.

(21) Short term liabilities

in T€	2017	2016	2015
Liabilities to related parties	383	107	84
VAT Liabilities	262	182	149
Liabilities relating to salaries, income tax and social securities	208	185	137
Liabilities for professional fees	206	269	183
Investment income tax	150	0	0
Accruals			
Bonus accruals	574	368	822
Invoices outstanding	98	651	17
Outstanding vacation and other personnel costs	143	293	81
Year-end expenses	130	118	114
Other	95	119	149

Total	2,249	2,292	1,736
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Other short term liabilities are due in 3 months.

(22) Additional disclosures on financial assets and liabilities

The financial instruments included in the CFS of the capsensixx AG are classified as follows :

Fiscal year 2017

Assets			
Balance sheet item	Category	Carrying amount 31 Dec. 2017	Valuation according to IFRS
		in T€	in T€
Other non-current assets	Loans and Receivables	562	562
Trade Receivables	Loans and Receivables	44,526	44,526
Income tax assets	Loans and Receivables	139	139
Other short-term receivables/assets	Loans and Receivables	460	460
Available for sale assets	Available for sale	3,536	3,536
Cash and cash equivalents	Loans and Receivables	4,961	4,961
		54,185	54,185
Liabilities			
Balance sheet item	Category	Carrying amount 31 Dec. 2017	Valuation according to IFRS 31 Dec. 2017
		in T€	in T€
Other long-term liabilities	Measured at amortized costs	107	107
Trade payables and other operating payables	Measured at amortized costs	42,516	42,516
Other short-term liabilities	Measured at amortized costs	2,249	2,249
		44,873	44,873

The trade receivables have maturities of less than 3 months. The fair values of the specific financial instruments at the balance sheet date correspond to the book values of the individual items .

The available for sale assets in the amount of T€ 2,721 represent marketable securities in the form of mutual funds with low risk rating. Again the share price was valued on the balance sheet date. These funds, being segregated, do not bear

an issuer risk. T€ 815 represent a profit participation loan, which is not traded on a stock exchange. The loan was granted in 2010 with a term of no more than 40 years.

Fiscal year 2016

Assets			
Balance sheet item	Category	Carrying amount 31 Dec. 2016	Valuation according to IFRS 31 Dec. 2016
		in T€	in T€
Other non-current assets	Loans and Receivables	647	647
Trade receivables	Loans and Receivables	13,140	13,140
Income Tax assets	Loans and Receivables	112	112
Other short-term receivables / assets	Loans and Receivables	2,157	2,157
Available for sale assets	Available for sale	1,947	1,947
Cash and cash equivalents	Loans and Receivables	3,798	3,798
		21,800	21,800
Liabilities			
Balance sheet item	Category	Carrying amount 31 Dec. 2016	Valuation according to IFRS 31 Dec. 2016
		in T€	in T€
Other long-term liabilities	Measured at amortized costs	148	148
Trade payables and other operating payables	Measured at amortized costs	12,024	12,024
Other short-term liabilities	Measured at amortized costs	2,292	2,292
		14,464	14,464

The trade receivables have maturities of less than 3 months. Other assets of T€ 2,451 have a maturity of more than one year. The fair values of the specific financial instruments at the balance sheet date correspond to the book values of the individual items.

The available for sale assets in the amount of T€ 1,190 represent marketable securities in form of mutual funds with low risk rating. Again the share price was valued on the balance sheet date. These funds, being segregated, do not bear an issuer risk. T€ 757 represent a profit participation loan mentioned above.

Fiscal year 2015

Assets			
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Balance sheet item	Category	Carrying amount 31 Dec. 2015	Valuation according to IFRS 31 Dec. 2015
		in T€	in T€
Other non-current assets	Loans and Receivables	560	560
Trade receivables	Loans and Receivables	14,531	14,531
Income Tax assets	Loans and Receivables	77	77
Other short-term receivables / assets	Loans and Receivables	1,119	1,119
Available for sale assets	Available for sale	1,204	1,204
Cash and cash equivalents	Loans and Receivables	6,849	6,849
		24,340	24,340
Liabilities			
Balance sheet item	Category	Carrying amount 31 Dec. 2015	Valuation according to IFRS 31 Dec. 2015
		in T€	in T€
Other long-term liabilities	Measured at amortized costs	186	186
Trade payables and other operating payables	Measured at amortized costs	13,691	13,691
Other short-term liabilities	Measured at amortized costs	1,736	1,736
		15,614	15,614

The fair values of the specific financial instruments at the balance sheet date correspond to the carrying amounts of the individual items.

The available for sale assets in the amount of T€ 441 represent marketable securities in the form of mutual funds with low risk rating. Again the share price was valued on the balance sheet date. These funds, being segregated, do not bear an issuer risk. T€ 763 represent a profit participation loan mentioned above.

From each of the following categories of financial instruments, capsensixx AG has achieved the according net gains and losses:

Fiscal year 2017

	Interest income (+) / Int. paid (-)	Profit (+) / Loss (-) from sale	Net result

Loans and receivables		31	0	31
Available-for-sale		0	41	41
Financial liabilities measured at amortized costs		-7	0	-7

The interest income and interest paid are shown separately in the profit and loss account as such. The gains / losses from sales of securities are shown under the other operating income and other operating expenses

Fiscal year 2016

		Interest income (+) / Int. paid (-)	Profit (+) / Loss (-) from sale	Net result
		in T€	in T€	in T€
Loans and receivables		13	0	13
Available-for-sale		0	-10	-10
Financial liabilities measured at amortized costs		-6	0	-6

The interest income and interest paid are shown separately in the profit and loss account as such. The gains and losses are shown under the other operating income and other operating expenses from the sale of securities.

Fiscal year 2015

		Interest income (+) / Int. paid (-)	Profit (+) / Loss (-) from sale	Net result
		in T€	in T€	in T€
Loans and receivables		52	0	52
Available-for-sale		0	43	43
Financial liabilities measured at amortized costs		-5	0	-5

The interest income and interest expense are shown separately in the profit and loss account as such. The gains and losses are shown under the other operating income and other operating expenses from the sale of securities.

The following table shows financial instruments which are measured at fair value, analyzed according to the valuation method. The various levels are as follows :

- Level 1: the active market traded market prices (unadjusted) of identical assets and liabilities ;
- Level 2: observable data, other than market prices listed in Level 1, of the assets and liabilities either directly (i.e. as prices) or indirectly (derived from the price);
- Level 3: not based market data included data of the assets and liabilities.

The following table shows assets and liabilities measured at fair value as of 31 December 2017

	Level 1	Level 2	Level 3	Total
Assets	in T€	in T€	in T€	in T€
Available-for-sale financial assets				
Shares and securities	2,721	0	0.00	2,721
Profit Participation Loan	0	815	0.00	815
Liabilities	0	0	0.00	0

The following table shows assets and liabilities measured at fair value as of 31 December 2016.

	Level 1	Level 2	Level 3	Total
Assets	in T€	in T€	in T€	in T€
Available-for-sale financial assets				
Shares and securities	1,190	0	0	1,190
Profit Participation Loan	0	757	0	757
Liabilities	0	0	0	0

The following table shows assets and liabilities measured at fair value as of 31 December 2015.

	Level 1	Level 2	Level 3	Total
Assets	in T€	in T€	in T€	in T€
Available-for-sale financial assets				
Shares and securities	441	0	0	441
Profit Participation Loan	0	763	0	763
Liabilities	0	0	0	0

The fair value of financial instruments within the Level 1 is based on the quoted market prices in an active market at the balance sheet date.

The fair value of financial instruments Level 2 is not based on an active market, but on a review procedure, based on a maximum extent on market data and as little as possible on company-specific data. The designated loan with participation in profits (Profit Participation Loan) of the borrower is valued based on the borrower's assets and debt at fair value.

In 2017, 2016 and 2015 no regrouping within the levels took place.

Information on the risks arising from financial instruments are to be made according to IFRS 7. These risks include borrower default risks, market risks, liquidity risks and other risks.

For early detection and control of the risks, capsensixx AG applies appropriate management and control systems with which the risks are measured and monitored. The measurement, management and monitoring of risks is carried out by the Board of the company.

Credit Risk

capsensixx defines risk of default as a financial loss, which could appear if a debtor does not or does partly not meet its payment obligations to capsensixx AG. These financial instruments where the debtor could default in principle are recognized in balances at banks, trade receivables from deliveries and services, other securities, as well as the other financial assets.

The maximum credit risk of the company consists in the loss of all assets included in the above balance sheet items. Loans included in the other assets are secured by pledges of securities and shares. More guarantees with regard to the other claims are not required.

There are no distressed and deferred claims. Valuation allowances on trade receivables from deliveries and services were none in 2017 (2016: T€ 22).

Concentrations of risk is managed by minimum risk ratings for business partners and limits on counterparties products as well as contractual terms and other factors that may not be exceeded.

The distribution of the risk of counterparty failures is as follows:

in T€	2017	2016	2015
Customers	44,526	13,140	14,531
Liquidity accounts	4,961	3,798	6,849
Securities	3,536	1,947	1,204
Owner of non-controlling interests	558	646	560
Affiliates	0	1,675	600
Other	603	594	595

Significant country risks do not exist, as counterparties are residents in Germany and Luxembourg.

The receivables from owner of non-controlling interests relates to receivables from the UF Beteiligungs UG and Trivium S.A. Please refer to the notes regarding business with related parties in section H.

Liquidity risk

Since the financial obligations of the capsensixx AG from continuing operations are payable short term, it's of key importance to have a sufficient liquidity at any time, to comply with its financial obligations.

The liquidity risk is reduced by timely billing, daily cash monitoring and valuation of receivables and close payment instructions. Management determined a liquidity plan for the expected long -, medium - and short-term liquidity needs.

Market risk

Market risk includes foreign currency risk, interest rate risk or other market risk. For capsensixx only the currency risk is of importance. Interest rate risk and other market risk are not significant.

Foreign exchange risk exposure results from financial assets and liabilities in USD, CAD, CHF. For further details on financial assets and liabilities in foreign currencies, please refer to section D, Information on translation of foreign currencies.

IFRS 7 requires the implementation of sensitivity analyses for all kinds of significant risks faced by the company at the balance sheet date. This impact should be indicated on the profit and loss and the equity capital of the company for a possible upcoming change of variable sizes at the balance sheet date.

The following table shows the sensitivity for an increase or reduction in the exchange rate of EUR against the USD, CAD and CHF of 10%. The sensitivity analysis takes into account the open at the respective balance sheet date, quoted in USD, CAD, CHF financial assets and liabilities. Following effects on the equity and the results of the company will be a change of the exchange rate of the EUR against de USD, CAD and CHF:

in T€	2017	2016	2015
Increase / decrease of assets	6	17	75
Increase / reduction of the liabilities	0	12	0
Total	6	29	75

The company is subject to the risk of fluctuating exchange rates. Falling stock prices have tended to decrease liabilities to customers as such liabilities depend on the commission income achieved by the company, mostly linked to the volume managed. This in turn is influenced by falling stock prices.

In addition, the fair values of securities held by the Group will decrease with falling market prices. Commission income and expenses also depend on market prices. The following table shows the sensitivity for an increase or reduction of stock prices by 10%. The sensitivity analysis takes into account the trade receivables and financial investments existing at the balance sheet date.

in T€	2017	2016	2015
Increase / decrease of trade receivables	4,453	1,314	1,463
Increase / reduction of the stock of securities	354	195	120
Total	4,807	1,509	1,583

(23) Information on the statement of cash flows

The funds as of 31 December 2017 amount to T€ 4,961 (2016: T€ 3,798; 2015: T€ 6,850) and are composed of the cash in hand and balances at banks.

(F) SEGMENT INFORMATION

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

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

Both segments provide services in the financial sector. Customers are mainly located in Germany. In 2017 two major customers existed, which made a volume of more than 10% of the total turnover. One of those, with an amount T€ 20,317 of revenues and another one with an amount T€ 24,556 of revenues. Both are attributable to the segment of fund administration & accounting. In 2016, one major customer existed, which made a volume of more than 10% of the total turnover. This customer with an amount of total T€ 12,107 is attributable to the segment of fund administration & accounting. In 2015, two large customers with revenues which made more than 10% of total revenues (T€ 12,295 and T€ 8,263), both of which were attributable to the segment of fund administration & accounting.

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

In the segment reporting combining adjustments are reported separately.

Segment report 2017

	Fund Admini- stration & Accounting	Capital Market & Corporate Services	Combining adjustments	Total
	in T€	in T€	in T€	in T€
Segment income				
Revenues	112,651	3,549	0	116,200
Other operating income	648	46	0	694
Segment expenses				
Cost of materials	-96,533	-50	0	-96,583
Personnel expenses	-5,412	-1,327	0	-6,739
Depreciation (excluding goodwill)	-951	-25	0	-976
Other operating expenses	-4,808	-625	0	-5,433
Other interest and similar income	11	20	0	31
Interest and similar expenses	-8	0	0	-8
Finance income	0	31	0	31
Segment result (Profit before tax)	5,598	1,619	0	7,217
Income taxes				-2,241
Net profit attributable to non-controlling interests				-2,447
Net profit attributable to shareholders of capsensixx AG				2,529
Segment assets	52,946	3,821	100	56,867
Income tax claims			244	244
Total assets				57,111
Segment liabilities	43,854	1,019	0	44,873
Income tax liabilities			656	656
Total liabilities				45,529

The following Fair Value adjustments was recorded in as of 31 December 2017 in the Other Comprehensive Income item Available for Sale Reserve:

in T€	Fund Administration & Accounting	Capital Market & Corporate Services	Total
Decrease in Fair Value	-23	-55	-78

Segment report 2016

	Fund Administration & Accounting	Capital Market & Corporate Services	Combining adjustments	Total
	in T€	in T€	in T€	in T€
Segment income				
Revenues	63,024	2,520	0	65,544
other operating income	674	79	0	753
Segment expenses				
Cost of materials	-48,559	-209	0	-48,768
Personnel expenses	-4,794	-1,102	0	-5,895
Depreciation (excluding goodwill)	-735	-17	0	-752
Other operating expenses	-4,674	-411	0	-5,085
Other interest and similar income	2	10	0	12
Interest and similar expenses	-6	0	0	-6
Finance income	0	40	0	40
Segment result (Profit before tax)	4.933	910	0	5,843
Income taxes				-1,772
Net profit attributable to non-controlling interests				-2,011
Net profit attributable to shareholders of capsensixx AG				2,060
Segment assets	21,927	2,775	100	24,802
Income tax claims			307	307
Total assets				25,109
Segment liabilities	14,020	444	0	14,464
Income tax liabilities			733	733
Total liabilities				15,197

The following Fair Value adjustments was recorded in as of 31 December 2016 in the Other Comprehensive Income item Available for Sale Reserve:

in T€	Fund Administration & Accounting	Capital Market & Corporate Services	Total
Increase in Fair Value	4	22	18

Segment report 2015

	Fund Admini- stration & Accounting	Capital Market & Corporate Services	Combining adjustments	Total
	in T€	in T€	in T€	in T€
Segment income				
Revenues	66,862	2,593	0	69,455
other operating income	896	47	0	943
Segment expenses				
Cost of materials	-52,431	-55	0	-52,486
Personnel expenses	-4,394	-988	0	-5,382
Depreciation (excluding goodwill)	-556	-10	0	-566
Other operating expenses	-4,485	-648	0	-5,133
Other interest and similar income	1	51	0	52
Interest and similar expenses	-4	-1	0	-5
Segment result (Profit before tax)	5,889	989	0	6,878
Income taxes				-2,048
Net profit attributable to non-controlling interests				-2,390
Net profit attributable to shareholders of capsensixx AG				2,440
Segment assets	22,587	3,193	100	25,880
Income tax claims			243	243
Total assets				26,623
Segment liabilities	14,973	640	0	15,613
Income tax liabilities			785	785
Total liabilities				16,398

The following Fair Value adjustments was recorded in as of 31 December 2015 in the Other Comprehensive Income item Available for Sale Reserve:

in T€	Fund Administration & Accounting	Capital Market & Corporate Services	Total
Decrease in Fair Value	0	-79	-79

(H) OTHER DISCLOSURES

Compensations for members of Supervisory Board

In the years 2017, 2016 and 2015 no direct or indirect compensations were paid by the combined entities to the members of the Supervisory Board of capsensixx.

Transactions with related companies and persons

We maintain business relationships within the Group to related companies and persons. In the context of these business relationships, in general we offer the same services we provide our customers. We believe that we make all these transactions to other customary conditions. There are no transactions, which were concluded at unusual market conditions. Compensations paid to the Supervisory Board are listed in the previous section. A discussion of Management Board remuneration is separately under "Total remuneration of the Management Board".

Members of management in key positions occupy positions in other companies, as a result of which they have control or influence on the financial and business policies of these companies.

Key personnel costs

The following table provides details of key personnel costs for the periods indicated:

Name	Fixed Remuneration T€	Variable Remuneration T€	Dividends T€
Fabian Föhre	118	100	113
Sven Ulbrich	0	0	113

capsensixx AG has not paid any remuneration to key personnel in the reporting period. The payments were made through Oaklet GmbH.

Following transactions with related parties are listed below:

1) PEH Wertpapier AG, Frankfurt am Main

- a. A member of management board of PEH Wertpapier AG is also director of Oaklet. Oaklet agreed to reimburse costs to PEH Wertpapier. In the reporting period the following amounts were to be paid:

between 01 Jan. 2015 and 31 Dec. 2015 32 T€

between 01 Jan. 2016 and 31 Dec. 2016 33 T€

between 01 Jan. 2017 and 31 Dec. 2017 48 T€

The following amounts were outstanding for payment to PEH Wertpapier AG:

as of 31 Dec. 2015 32 T€

as of 31 Dec. 2016 0 T€

as of 31 Dec. 2017 48 T€

- b. Expenses from transactions with and services provided to PEH Wertpapier AG were as follows in years 2017, 2016 and 2015:

between 01 Jan. 2015 and 31 Dec. 2015	1,255 T€
between 01 Jan. 2016 and 31 Dec. 2016	1,102 T€
between 01 Jan. 2017 and 31 Dec. 2017	1,165 T€

The following amounts were outstanding for payment to PEH Wertpapier AG:

as of 31 Dec. 2015	85 T€
as of 31 Dec. 2016	189 T€
as of 31 Dec. 2017	122 T€

- c. Income from transactions with and services to PEH Wertpapier AG were as follows in years 2017, 2016 and 2015:

between 01 Jan. 2015 and 31 Dec. 2015	238 T€
between 01 Jan. 2016 and 31 Dec. 2016	194 T€
between 01 Jan. 2017 and 31 Dec. 2017	219 T€

The following amounts were outstanding for payment by PEH Wertpapier AG:

as of 31 Dec. 2015	0 T€
as of 31 Dec. 2016	0 T€
as of 31 Dec. 2017	4 T€

- d. PEH Wertpapier AG granted a short term loan of 600 T€ to capsensixx business in 2017. The loan was redeemed before 31 December 2017. The interest payment relating to this loan amounts to 1 T€.

- e. Other costs reimbursements were paid in 2015 in the amount of 45 T€.

2) PEH Vermögensmanagement GmbH, Frankfurt am Main

- a. Expenses from transactions with PEH Vermögensmanagement GmbH were as follows in years 2017, 2016 and 2015:

between 01 Jan 2015 and 31 Dec. 2015	57 T€
between 01 Jan. 2016 and 31 Dec. 2016	78 T€
between 01 Jan. 2017 and 31 Dec. 2017	63 T€

The following amounts were outstanding for payment to PEH Vermögensmanagement AG:

as of 31 Dec. 2015	37 T€
as of 31 Dec. 2016	7 T€

as of 31 Dec. 2017 1 T€

b. Income related to IT services were rendered were as follows in years 2017, 2016 and 2015:

between 01 Jan. 2015 and 31 dec. 2015 173 T€

between 01 Jan. 2016 and 31 Dec. 2016 165 T€

between 01 Jan. 2017 and 31 Dec. 2017 165 T€

There were no payables at the balance sheet dates from these services.

3) PEH Wertpapier AG, Wien, Austria (PEH Austria)

Internal audit services were performed by PEH Austria. Expenses related to these services were as follows in years 2017, 2016 and 2015:

between 01 jan. 2015 and 31 Dec. 2015 16 T€

between 01 Jan. 2016 and 31 Dec. 2016 2 T€

between 01 Jan. 2017 and 31 Dec. 2017 23 T€

The following amounts were outstanding for payment to PEH Austria:

as of 31 Dec. 2015 22 T€

as of 31 Dec. 2016 2 T€

as of 31 Dec. 2017 8 T€

4) Trivium S. A., Luxemburg

The management of Axxion S.A. are also shareholders of Trivium S.A. Thus, Trivium S.A. is a related party to the capsensixx business Trivium S. A. were granted two loans amounting up to 1,673 T€ in 2016. The loan was paid off in 2017. The loan was collateralised by fund shares of the Axxion Revolution Fund-One. The fund shares were purchased by the capsensixx business in 2017.

5) Fo.con S.A., Luxemburg

Fo.con S.A. is shareholder of Axxion S.A. with 49,99% of the total shares. The Fo.con S.A. was granted a loan in 2015 in the amount of 600 T€. The loan was redeemed in 2015.

6) UF Beteiligungs UG (haftungsbeschränkt), Frankfurt am Main

The management of the capsensixx AG and Oaklet GmbH are also shareholders of UF Beteiligungs UG (haftungsbeschränkt).

As of 29 December 2014 and as of 28 December 2016 UF Beteiligungs UG (haftungsbeschränkt) acquired shares in Oaklet with a nominal amount of € 1,250. The consideration for the shares was agreed to T€ 107.

To finance the acquisition described Oaklet granted UF Beteiligungs UG (haftungsbeschränkt) a loan of T€ 669 in 2014 and additional T€ 107 in 2016. The loan is subject to interest and is payable latest before 31 January 2023. The loan is collateralized by shares of Oaklet GmbH with a nominal value of € 9,050.

Average number of employees

The average number of employees has developed as follows:

	2017	2016	2015
Average number of employees	79.50	72.00	62.75

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

The financial obligations from leasing contracts (incl. rentals) composed as follows:

in T€	Total amount	of which with a remaining term		
		up to 1 year	1-5 years	5 years
31 Dec. 2017	6,021	1,376	4,646	0
31 Dec. 2016	5,673	1,321	4,352	0
31 Dec. 2015	5,483	1,059	4,424	0

These leasing contain finance- and operating-leases. In 2017 payments under leases which are recorded in profit or loss, amounted to T€ 306 (2016: T€ 318; 2015: T€ 340). The liabilities contained in other liabilities from finance leases as of 31 December 2017 are T€ 107 (2016: T€ 148; 2015: T€ 187). In all three fiscal years the leasing contracts relate to IT leasing and car leasing.

The following operational functions in 2017 are or were outsourced in 2016 and 2015 outside the Group:

- Axxion: accounting and payroll with Zimmer & Schulz Lux. S.a.r.l, Schuttrange, Luxembourg
- Oaklet: accounting, taxes and payroll with RWM GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Sinzheim

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

Special operations after the end of the fiscal year (subsequent events)

After the end of the financial year, no events of particular significance have occurred, the impact on the earnings, financial and asset position .

Special conditions after the end of the fiscal year (subsequent events)

After the end of the financial year, no events of particular significance have occurred, the impact on the earnings, financial and asset position .

The company's Management Board

Sven Ulbrich, Spiesheim, Member of the Management Board (Chairman);

Fabian Föhre, Neu-Isenburg, Member of the Management Board

Members of the Supervisory Board

Martin Stürner, Chairman of the Supervisory Board.

Rudolf Locker, Schmitt, Deputy Chairman of the Supervisory Board.

Gregor Langer, Kelkheim, Member of the Supervisory Board.

Voting

PEH Wertpapier AG, Frankfurt, holds 100% of the voting shares in capsensixx AG as of 31 December 2017. There were no changes related to the voting rights until to date.

Frankfurt, 25 March 2018

(Fabian Föhre)

(Sven Ulbrich)

The Management Board

Independent Auditor's Report (*Prüfungsvermerk des Wirtschaftsprüfers*)

To capsensixx AG, Frankfurt am Main

We have audited the accompanying combined financial statements, which comprise the combined balance sheet as at 31 December 2017, 2016 and 2015, combined profit and loss statement, combined statement of comprehensive income, combined change of equity statements, a combined statement of cash flows, combined segment reporting, and the notes to the combined statements for the fiscal years 2017, 2016 and 2015, prepared by capsensixx AG, Frankfurt am Main, for the business of PEH Wertpapier AG that is deemed to be combined in capsensixx AG as described in section A and B of the notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

capsensixx AG's management is responsible for the preparation and fair presentation of these combined financial statements in accordance with International Financial Reporting Standards, as adopted by the EU, as well as for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the capsensixx Business as at 31 December 2017, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards, as adopted by the EU.

Emphasis of Matter

Without modifying our opinion, we draw attention to the fact that, as described in section B of the notes to the combined financial statements, the capsensixx Business included in the combined financial statements has not operated as a separate group of entities. These combined financial statements are, therefore, not necessarily indicative of results that would have occurred if the capsensixx Business had been a separate stand-alone group of entities during the years presented or of future results of the capsensixx Business. The combined financial statements were prepared to comply with the Directive 2003/71/EG (in Germany by the German Securities Prospectus Act, Wertpapierprospektgesetz), the Commission regulation (EC) No 809/2004 and under consideration of the EU Regulation 2017/1129 of the European Parliament and of the Council of 14 June 2017. The combined financial statements shall only be used for the purpose described.

Frankfurt am Main, 25 April 2018

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Ralph Hüseemann
Wirtschaftsprüfer

Eugenie Schmidt
Wirtschaftsprüfer

**Audited unconsolidated Financial Statements
(Annual Financial Statements) for the abbreviated financial year
from 10 November until 31 December 2017 prepared in
accordance with the German Commercial Code
(*Handelsgesetzbuch*)**

This is a translation into English of the unconsolidated financial statements of capsensixx AG prepared in accordance with the German Commercial Code (Handelsgesetzbuch) (German-GAAP) for the abbreviated financial year from 10 November until 31 December 2017, including the German statutory auditors' report thereon.

The auditor's report was issued in the German language and the translation thereof is provided solely for use in this English language prospectus.

The auditor's report on the unconsolidated financial statements should be read in conjunction with, and construed in accordance with, German law and professional auditing standards applicable in Germany.

ANNUAL FINANCIAL STATEMENTS

**for the abbreviated financial year from 10 November through
31 December 2017**

capsensixx AG

Bettinastraße 57

60325 Frankfurt

**Registered at the Local Court of
Frankfurt am Main under the number HRB 110258**

BALANCE SHEET as of 31 December 2017

capsensixx AG
Frankfurt am Main

ASSETS

	EUR	Financial Year EUR	10. Nov. 2017 EUR
A. Current Assets			
I. Claims and other assets	0.00		100,000.00
- Not yet received amounts due to equity subscriptions EUR 0.00 (EUR 100,000.00))			
II. Federal Bank balances, cash on hand, balances at banks and checks	<u>99,958.60</u>	99,958.60	0.00

		99,958.60	100,000.00
		=====	=====

BALANCE SHEET as of 31 December 2017

capsensixx AG
Frankfurt am Main

LIABILITIES

	Financial Year EUR	10 Nov. 2017 EUR
A Equity Capital		
·		
I. Subscribed Capital	100,000.00	100,000.00
II. Annual Loss	-1,976.59	0.00
B Provisions	1,200.00	0.00
·		
C Liabilities	735.19	0.00
·		
- of which with a maximum maturity of up to 12 months EUR 735.19 (EUR 0.00)		
	-----	-----
	99,958.60	100,000.00
	=====	=====

PROFIT AND LOSS ACCOUNT from 10 November 2017 to 31 December 2017

capsensixx AG
Frankfurt am Main

	EUR
1. Other operating expenses	<u>1,976.59</u>
2. Net Result after Tax	1,976.59-
	<hr/>
3. Annual Loss	1,976.59
	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS FOR THE ABBREVIATED FINANCIAL YEAR FROM NOVEMBER 10 TO DECEMBER 31, 2017

1. General information on the annual financial statements

The capsensixx AG is headquartered in Frankfurt am Main and is registered under the number HRB 110258 at the District Court of Frankfurt am Main. The company was founded on November 10, 2017. In the previous column, the values as of the November 10, 2017 are expelld.

The company has the size characteristics of a mini company at the balance sheet date pursuant to paragraph 267a (1) HGB. However the company voluntarily applies the regulations for small corporations.

The annual financial statements for the abbreviated financial year from 10 November 2017 to 31 December 2017 were prepared due to the accounting and valuation rules of the German commercial code (HGB) in the version of the accounts directive implementation Act (BilRUG). The provisions of the companies act (AktG) were to be observed in addition to those provisions.

For the profit and loss account, the total cost method pursuant to paragraph 275 (2) HGB was selected.

2. Data on accounting and valuation methods

The valuation of asset and liability items takes into account the principles of careful commercial appraisal of all recognizable risks.

Equivalents are reported at their nominal value.

The provisions include all recognizable risks to the installation of the balance sheet and uncertain liabilities. They are calculated in an amount of the settlement amount necessary according to sound business judgment.

The liabilities are reported at fulfillment amounts.

3. Notes to the balance sheet

Equity capital

The share capital in 2017 amounts to € 100,000.00 as at 31 December 2017 and is divided into 100,000 shares. The share capital of capsensixx AG is fully paid up.

The net loss in the amount of € 1,976.59 will be carried forward to new account.

Provisions

Provisions were created in the amount € 1,200.00 for annual costs.

Liabilities

All liabilities have a maturity of up to one year. The liabilities include liabilities to the shareholder of € 403.00.

4. Other required information

Employees in the fiscal year

In the financial year the company had no employees.

Inclusion in consolidated financial statements

capsensixx is included in the consolidated financial statements of PEH Wertpapier AG, Frankfurt am Main, Germany, which forms at the same time the biggest and the smallest group of companies, which the company joined as a subsidiary. The registered seat of PEH Wertpapier AG is at Bettinastrasse 57-59, Frankfurt am Main. The consolidated financial statements are available at PEH Wertpapier AG.

Frankfurt am Main, 5th February 2018

(Sven Ulbrich) (Fabian Föhre)

Management Board

This is a convenience translation of the German original. Solely the original text in German language is authoritative.

INDEPENDENT AUDITOR'S REPORT

To capsensixx AG

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Audit Opinions

We have audited the annual financial statements of capsensixx AG, which comprise the balance sheet as at 31 December 2017, and the statement of profit and loss for the financial year from 10 November 2017 to 31 December 2017, and notes to the financial statements, including the recognition and measurement policies presented therein. We are responsible to provide an opinion based on the audit performed on financial statements, with consideration of the accounting system.

The management is 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 statutory statements of the company in compliance with German Legally Required Accounting Principles ("HGB" – Handelsgesetzbuch).

We conducted our audit of the annual financial statements and of the management report in accordance with paragraph 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany ("IDW" – Institut der Wirtschaftsprüfer). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial

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

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

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 2017 and of its financial performance for the financial year from 10 November 2017 to 31 December 2017 in compliance with German Legally Required Accounting Principles.

Frankfurt am Main, 20 April 2018

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Ralph Hüsemann
Wirtschaftsprüfer

Eugenie Schmidt
Wirtschaftsprüfer

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25. GLOSSARY

Term	Meaning
Ad hoc Announcement	Public disclosure of inside information pursuant to Article 17 MAR.
ADIT	Axxion Deutschland Investmentaktiengesellschaft mit Teilgesellschaftsvermögen.
AGM	Annual general meeting.
AIF	Alternative investment fund.
AIFMD	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010.
AML	Anti-money laundering.
API	Application programming interface.
APMs	Alternative performance measures.
Articles of Association	The Issuer's current articles of association.
AuM	Assets under management.
AuA	Assets under administration.
BaFin	German Federal Financial Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i>).
Baker Tilly	Baker Tilly GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Frankfurt am Main.
BEPS	Base Erosion and Profit Shifting referring to tax planning strategies used by multinational companies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations.
Brexit	The United Kingdom's referendum on 23 June 2016 to formally withdraw its EU membership.
BVI	Bundesverband Investment and Asset Management e.V.
CAGR	Compounded annual growth rate.
CEST	Central European summer time.
CHF	Swiss Francs.

Clearstream	Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany.
Company	capsensixx AG, a German Stock Corporation (Aktiengesellschaft), registered with the commercial register (Handelsregister) of the local court (Amtsgericht) of Frankfurt am Main, Germany, under the number HRB 110258.
Company Market Study	A market study commissioned from EY in 2017 which has been updated with an addendum commissioned in 2018.
coraixx	coraixx GmbH & Co. KGaA.
CSF	Combined Financial Statements
CSSF	Commission de Surveillance du Secteur Financier (<i>Comission responsible for the financial regulation in Luxembourg</i>).
D&O Insurance	Directors and officers insurance.
EEA	European Economic Area.
ETFs	Exchange traded Funds.
EU	European Union as defined in the Treaty on European Union, as subsequently amended.
EUR	Euro.
€	Euro.
EY	Ernst & Young Wirtschaftsprüfungsgesellschaft.
FATCA	U.S. Internal Revenue Code of 1986.
FinTech	Acronym comprising the terms financial services and technology used to refer to enterprises offering financial services by using modern technology.
FSMA	U:K: Financial Services and Markets Act 2000.
GAAP	Generally accepted accounting principles.
GBP	Pound Sterling.
IFRSIC	The International Financial Reporting Standards Interpretations Committee.
IFRS	International Financial Reporting Standards of the International Accounting Standards Board.
IGAs	Intergovernmental agreements.
Impot commercial communal	Municipal business tax in Luxembourg.

Impot sur la fortune	Net wealth tax in Luxembourg.
Impot sur le revenu	Personal income tax in Luxembourg.
Impot sur le revenu des collectivites	Corporate income tax in Luxembourg.
INQUENCE	INQUENCE GmbH, Dresden.
IPO	Initial public offering.
IPO Capital Increase	Capital increase up to 330,000 new shares in the Issuer resulting from the use of the authorized capital resolved by an extraordinary shareholders' meeting of the Issuer on 28 March 2018 against contribution in cash.
Issuer	capsensixx AG, a German Stock Corporation (<i>Aktiengesellschaft</i>), registered with the commercial register (<i>Handelsregister</i>) of the local court (<i>Amtsgericht</i>) of Frankfurt am Main, Germany, under the number HRB 110258.
IT	Information Technology.
KPI	Key Performance Indicator.
KPMG	KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft.
KWG	German Banking Act (<i>Kreditwesengesetz</i>).
Lending Shareholder	PEH Wertpapier AG.
LOI	Non-binding letter of intent between capsensixx AG and INQUENCE GmbH dated 28 March 2018 regarding the joint venture coraixx GmbH & Co. KGaA.
Luxembourg	The Grand Duchy of Luxembourg.
Luxembourg AIF Law	The Luxembourg Law of 12 July 2013 on alternative investment fund managers.
Luxembourg UCI Law	Luxembourg Law of 17 December 2010 relating to undertakings for collective instruments.
MAR	The Market Abuse Regulation (EU) No. 596/2014.
New Shares	The up to 330,000 new shares in the Issuer resulting from the use of the authorized capital resolved by an extraordinary shareholders' meeting of the Issuer on 28 March 2018.
OECD	Organisation for Economic Co-operation and Development.

Prime Standard	Sub-segment of the regulated market of the Frankfurt Stock Exchange with additional post admission obligations.
PwC	Pricewaterhouse Coopers
PWMs	Private Wealth Managers
Regulation S	Regulation S under the United States Securities Act of 1933, as amended
Risk Factors	Factors that are substantially or entirely beyond control and are subject to known and unknown risks
Selling Shareholder	PEH Wertpapier AG, Bettinastraße 57-59, 60325 Frankfurt am Main.
Sole Global Coordinator	ICF BANK AG Wertpapierhandelsbank, Kaiserstraße 1, 60311 Frankfurt am Main, Germany.
SPV	Special purpose vehicle. A legal entity created to fulfill narrow, specific or temporary objectives.
Subscription Functionality	The subscription functionality of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) in the XETRA trading system for the collection and settlement of subscription offers
TEUR	Thousand euro.
T€	Thousand euro.
UCI	Undertakings for Collective Investments.
UCITS	Undertakings for Collective Investment in Transferable Securities, a regulatory regime for the management of retail funds in the European Union.
UHNWI	Ultra high net worth individuals.
Underwriting Agreement	The underwriting agreement with respect to the offer and sale of the Offer Shares dated on or around the date of this prospectus among the Company, the Selling Shareholder and the Underwriter.
USD	US dollars.

26. RECENT DEVELOPMENTS AND OUTLOOK

26.1 Recent Developments

On 28 March 2018 an increase of the share capital of the Company from EUR 100,000 to EUR 3,100,000 against contribution in kind was resolved, consisting of the contribution of the Selling Shareholder's stake in Axxion S.A. and Oaklet GmbH to capsensixx AG. This contribution in kind became effective on 18 April 2018 by registration in the Company's commercial register. Since that date the Company is the holding company of the Group.

capsensixx has continued its strong growth trend in the first quarter 2018 compared to the first quarter 2017. This development has been driven by increased revenues from existing clients through net inflows in both (i) the Fund Administration & Accounting and (ii) the Capital Markets & Corporate Services segments, new structures as well as business wins from new clients. Cash generation in the period has been good, continuing capsensixx' strong cash conversion profile.

26.2 Outlook

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

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

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

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

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

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

27. ADDRESSES

Issuer



capsensixx AG
Bettinastraße 57
60325 Frankfurt am Main
Germany

Selling Shareholder

PEH Wertpapier AG
Bettinastraße 57-59
60325 Frankfurt am Main
Germany

Sole Global Coordinator and Sole Bookrunner

ICF BANK AG Wertpapierhandelsbank,
Kaiserstraße 1
60311 Frankfurt am Main
Germany