



## Research Report (Anno)

### FinLab AG



**Further expansion in the fintech investment portfolio;  
NAV climbs to EUR 20.83 per share;  
Further valuation potential yet to come**

**Target Price: 30.65 €**

**Rating: BUY**

**IMPORTANT NOTE:**

Please take note of the disclaimer/risk warning, as well as the disclosure of potential conflicts of interest as required by section § 85 WpHG und Art. 20 MAR on page 15

Note on research as a “minor non-monetary benefit” according to the MiFID II regulation: This research meets the requirements for being classified as a “minor non-monetary benefit”. For more information, see the disclosure under “1. Research under MiFID II”

## FinLab AG<sup>\*5a,6a,11</sup>

### BUY

**Target Price: €30.65**  
(until now: €30.65)

Current Price: 21.50  
23/04/2018 / XETRA / 9:10 am  
Currency: EUR

### Key Data:

ISIN: DE0001218063  
WKN: 121806  
Ticker Symbol: A7AG  
Number of shares<sup>3</sup>: 4.989  
Marketcap<sup>3</sup>: 107.26  
<sup>3</sup>in millions / mEUR

Free Float: 20 %

Transparency Level:  
Scale

Market Segment:  
Freiverkehr

Accounting Standard:  
HGB/IFRS

Financial-Year End: 31.12.

Designated Sponsor:  
Hauck & Aufhäuser

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\* catalogue of possible conflicts of interest on page 16

### Company Profile

Sector: Private Equity

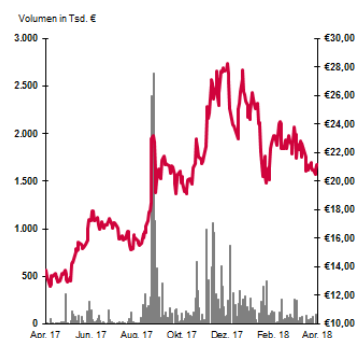
Focus: financial technology ("fintech") business models

Employees: 12 on incubator level and over 100 in subsidiaries

Established: 2000, focus on fintech since beginning 2015

Registered office: Frankfurt am Main

Board of Management: Stefan Schütze, Juan Rodriguez



FinLab AG is an investment company with a specific focus on fintech business models. Its business activities focus on developing self-founded or incubated German fintech start-ups, with the potential to roll out the business model across Europe. FinLab aims to acquire majority stakes in these start-ups and also finances the companies through several rounds of financing as the lead or co-investor. The Company's secondary focus is on investing in promising fintech companies that are not self-founded, and providing associated risk capital in seed or follow-on financing rounds. This does not involve any regional specialisation, but in addition to Germany, investments are also considered in the USA. In recent years, FinLab AG has considerably expanded its investment portfolio, which now comprises eight investments. These include companies from the fast-growing fintech sector as well as companies with a link to the blockchain and cryptocurrency worlds.

P&L in EUR millions*	31/12/2014	31/12/2015	31/12/2016	31/12/2017
Total income	4.76	6.46	4.94	4.36
EBIT	0.49	4.02	2.27	1.46
Net income (loss)	1.64	6.54	14.00	14.21
Operating Cashflow	-0.06	2.62	0.89	1.83

\*Figures according to IFRS

### Key Figures in EUR\*

Earnings per share	0.36	1.44	3.08	2.97
Dividend per share	0.00	0.00	0.00	0.00

\*Figures according to IFRS

### Key figures\*

Financial Assets in EUR millions	41.64	54.16	68.00	103.19
Equity (IFRS) in EUR millions	39.49	55.03	67.14	103.92
NAV per share in EUR	8.70	12.12	14.79	20.83
Discount to NAV	147.1%	77.4%	45.4%	3.2%
P/E ratio	65.40	16.40	7.66	7.55

\*Figures according to IFRS

### Financial Calendar

June 2018: Annual Shareholder Meeting
28/09/2018: Half-year report 2017
26-28/11/2018: Eigenkapitalforum 2017

### \*\* Last research by GBC:

Date: publication/target price in EUR/rating
21/03/2018: RS / 30.65 / BUY
07/12/2017: RS / 30.65 / BUY
05/09/2017: RS / 20.30 / BUY
28/06/2017: RS / 20.00 / BUY

\*\* The research studies indicated above may be viewed at [www.gbc-ag.de](http://www.gbc-ag.de), or requested at GBC AG, Halderstr. 27, D86150 Augsburg

## EXECUTIVE SUMMARY

- In the past financial year 2017, FinLab AG once again benefited from an increase in the valuation of its fintech investments, allowing it to sustain its significant financial result of EUR 13.00 million (previous year: EUR 11.77 million). This total includes the valuation income from unlisted fintech investments. As in the previous year, a large proportion of the financial result is attributable to the increase in value of the Deposit Solutions investment. During a USD 20 million financing round, this associated company was valued at double the level recorded at the end of 2016 (as a result of third-party investment).
- In addition to the high financial result, the listed investment in HELIAD Equity Partners, in which FinLab AG has a significant stake (45.2%), posted very good growth. In 2017, the HELIAD share price of EUR 5.71 (31/12/2016) climbed significantly to EUR 9.48 (31/12/2017), which meant that given its virtually unchanged shareholding, FinLab AG recorded a total gain of EUR 16.55 million. Although this gain is not recognised in the financial result, it is recognised as a result-neutral revaluation basis in equity capital, which entails a corresponding increase in equity capital and thus in the NAV.
- The positive post-tax result of EUR 14.21 million, together with the revaluation reserve of the Heliad investment (EUR 16.55 million) and the capital increase undertaken in May 2017 (EUR 5.85 million: 450,000 new shares at EUR 13.00 per share), made for a significant increase in equity capital to EUR 103.92 million (31/12/16: EUR 67.14 million). The NAV per share once again saw a significant increase to EUR 20.83 (31/12/16: EUR 14.79).
- FinLab AG is special in that current income (service income, profit shares) is sufficient to cover the ongoing costs, which renders FinLab's business virtually "self-sustaining" without external financing. This can be seen from the positive EBIT of EUR 1.46 million, which gives an indication of the strong internal financing capability within FinLab AG – this is not considered the norm for venture capital portfolio companies.
- In the past financial year, FinLab AG has expanded its investment portfolio with three further investments, acquiring initial stakes in FastBill GmbH, Vaultoro Ltd. and ICONIQ Lab GmbH. At the same time, the Company has successfully completed its entry into the cryptocurrency and blockchain markets. In this regard, it recently announced the creation of a fund with leading blockchain software EOS.IO. With a planned capitalisation of up to USD 100 million, FinLab is expected to benefit from both management fees and the fund's performance. In addition, all key fintech investments reached important milestones in 2017.
- Based on the NAV valuation, we calculated a fair value of EUR 30.65 per share for FinLab AG. This figure includes the hidden reserves of the HELIAD investment as well as the higher valuations we have calculated for fintech investments. Based on a share price of EUR 20.70, we are assigning a BUY rating.

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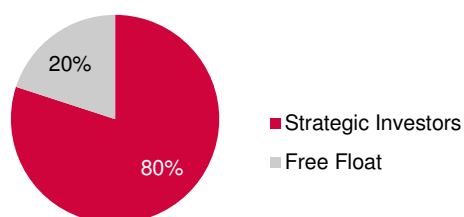
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## COMPANY

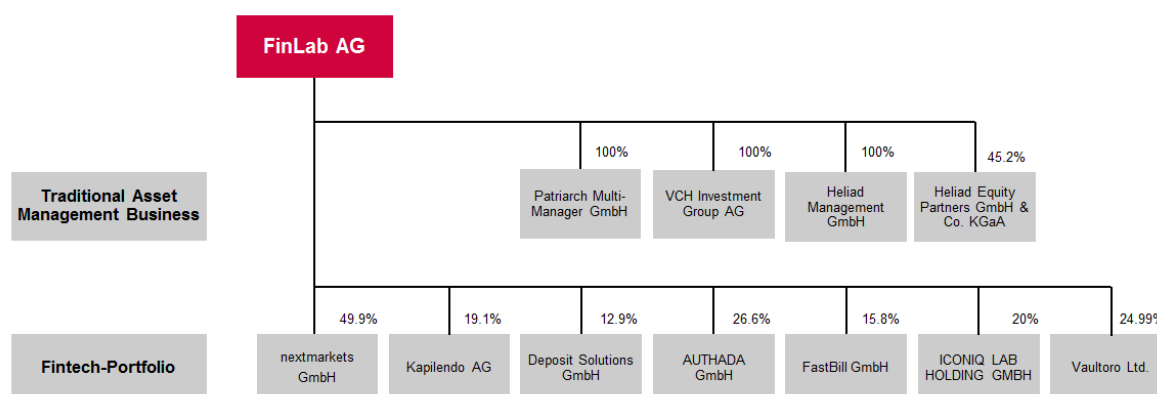
### Shareholder Structure

Shareholders in %	23/04/2018
Strategic Investors	80 %
Free Float	20 %

Source: FinLab AG; GBC AG



### Group Structure



Source: FinLab AG; GBC AG

With its work in 2017, FinLab AG has already achieved the medium-term goal of building an investment portfolio of 7-10 companies. As at the balance sheet date 31/12/2017, the Company holds shares in a total of eight companies. With three new investments, the past financial year saw particularly high investment activity.

May 2017 saw the announcement of a 15% investment (including options) in **FastBill GmbH**, a leading SaaS provider of financial management solutions for smaller companies. Through its own software solution, this new investment offers a platform for the central management of financial data as well as suitable interfaces for exchanging data with tax consultants or similar services. The seven-figure financing volume of FinLab should finance further customer growth and the expansion of the financial platform.

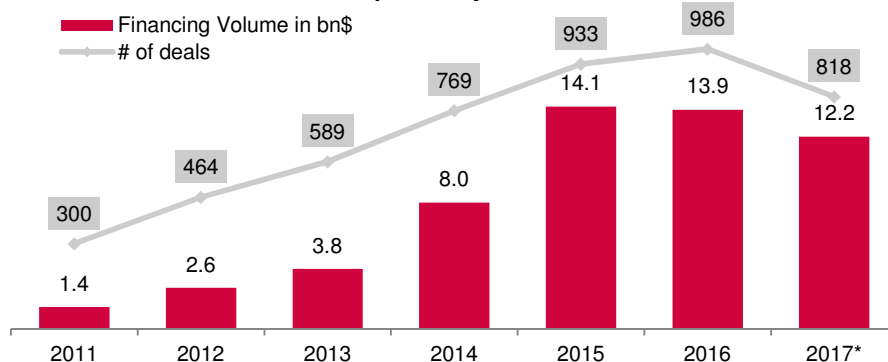
In September 2017, the Company announced its investment in **Vaultoro Ltd.**, a real-time trading platform for gold and bitcoin. Vaultoro customers can use this platform to invest with cryptocurrencies in physical gold from around the world, which is stored by a reputed partner in Switzerland. In principle, investors should be able to secure their deposits with gold and bitcoin using Vaultoro's online vaulting app and a debit card secured by gold, as well as spending them in any currency in real time.

In November 2017, FinLab AG increased its stake in cryptocurrency by investing in **ICONIQ Lab**, an ICO and Token Sale Accelerator. ICONIQ Lab is a full-service platform for crypto, blockchain and token start-ups, providing seed capital and funding to selected companies for the implementation of their own ICO.

## MARKET AND MARKET ENVIRONMENT

In 2017, the global financing volume for fintech investments was expected to follow on from the already high level recorded in previous years. By the third quarter of 2017, the investment volume had already reached USD 12.2 billion, after around USD 13.9 billion was invested in fintechs in the whole of 2016. Extrapolated across the entire year, the result for 2017 could once again significantly exceed the levels from the previous year.

### Global investments in fintech-companies by VCs

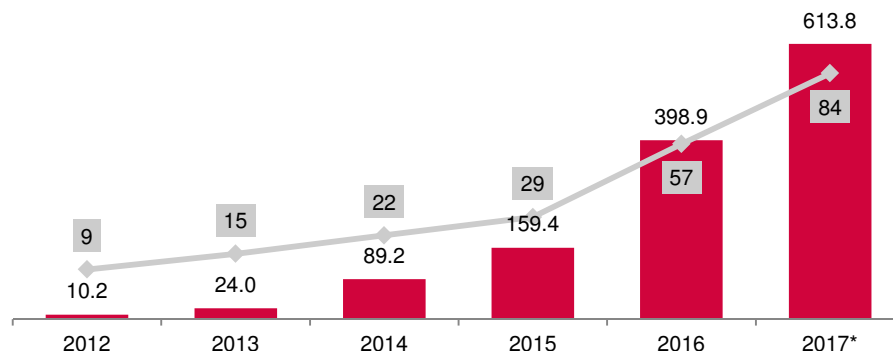


Source: CB Insights; GBC AG; until third quarter 2017

One of the most important recent developments is that established institutions are increasingly accepting the generally disruptive fintech business models. Fintech is thus no longer just a niche – it is increasingly being integrated into existing models. For example, more than 75% of financial institutions plan to invest in fintech companies in order to increase the speed of innovation (source: PWC). The adaptation of new technologies is expected to maintain the high growth momentum in the fintech sector. The linking of blockchain technologies in particular should establish a new trend in this field. It should be borne in mind that blockchain technology is increasingly outgrowing experimental status, with first blockchain prototypes being transferred to commercial use.

In Germany, there are likely to be significantly higher volumes invested in fintech companies. For the full year 2017, a total volume of EUR 613.8 million is projected on the basis of the existing half-year figures (source: Ernst & Young), which are demonstrating above-50% growth on the previous year (full year 2016: EUR 398.9 million). The process of Germany catching up with English-speaking countries would continue under these circumstances.

### Investments in fintech-companies in Germany



Source: Ernst & Young; GBC AG; \* extrapolated on the basis of the half-year figures

## COMPANY DEVELOPMENT

### Overview of the key figures

P&L (in €m)	FY 2014	FY 2015	FY 2016	FY 2017
Sales	2.85	4.17	1.72	1.52
Income from investments	0.35	1.61	2.75	2.47
Other operating income	1.55	0.68	0.48	0.37
<b>Total income</b>	<b>4.76</b>	<b>6.46</b>	<b>4.94</b>	<b>4.36</b>
Personnel expenses	-2.09	-1.56	-1.64	-1.76
Other operating costs	-2.18	-0.88	-1.02	-1.14
<b>EBIT</b>	<b>0.49</b>	<b>4.02</b>	<b>2.27</b>	<b>1.46</b>
Financial result	1.17	3.11	11.77	13.00
<b>EBT</b>	<b>1.66</b>	<b>7.14</b>	<b>14.04</b>	<b>14.46</b>
Taxes on income	-0.02	-0.60	-0.04	-0.25
<b>Net profit</b>	<b>1.64</b>	<b>6.54</b>	<b>14.00</b>	<b>14.21</b>
EBIT	0.49	4.02	2.27	1.46
Earnings per share in €	0.36	1.44	3.08	2.97
Dividend per share in €	0.00	0.00	0.00	0.00
Number of shares in million	4.54	4.54	4.54	4.79

Source: FinLab AG; GBC AG

## Business development 2017

P&L (in €m)	FY 2014	FY 2015	FY 2016	FY 2017
Total income	4.76	6.46	4.94	4.36
EBIT ( <i>margin</i> )	0.49 (10.3 %)	4.02 (62.3 %)	2.27 (46.0 %)	1.46 (33.4%)
Financial result	1.17	3.11	11.77	13.00
Net profit	1.64	6.54	14.00	14.21
EPS in €	0.36	1.44	3.08	2.97

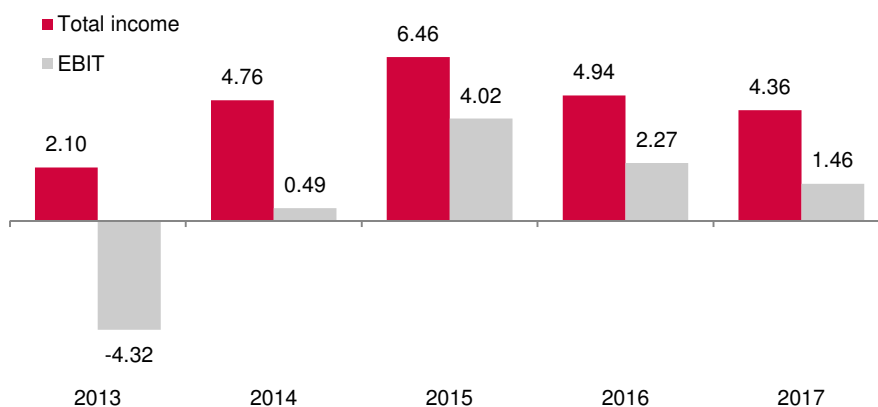
Source: FinLab AG; GBC AG

### Earnings and EBIT growth 2017

FinLab AG's revenue primarily stems from services provided to subsidiaries and investments and is therefore attributable to the traditional financial services business. The Company's sales revenue of EUR 1.52 million (previous year: EUR 1.72 million) is also supplemented by investment earnings, which include profit distributions from the investments in Heliad and Patriarch totalling EUR 2.16 million (previous year: EUR 2.49 million).

The resulting total earnings of EUR 4.36 million in the past financial year 2017 (previous year: EUR 4.94 million) are typically low for FinLab AG, but are only of secondary importance in our view. It is important that the current income in a given financial year is sufficient to cover the ongoing costs (personnel expenses, material expenses), rendering the FinLab business virtually "self-sustaining" without external financing. This can be seen from the positive EBIT of EUR 1.46 million (previous year: EUR 2.27 million), which gives an indication of the strong internal financing capability within FinLab AG – this is not considered the norm for venture capital portfolio companies.

### Total income and EBIT (in €m)



Source: FinLab AG; GBC AG

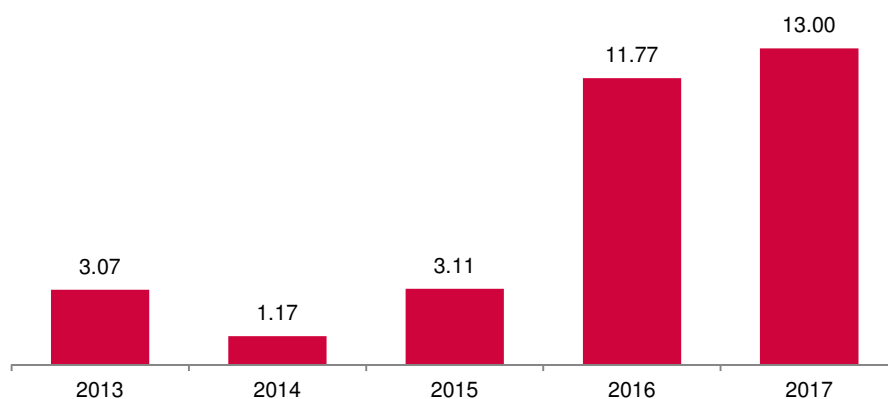
In recent years, FinLab AG has successfully established a positive EBIT. In addition to the expansion of the earnings base, this also results from the comparatively consistent cost base. Operating costs have stabilised within a range of EUR 2.44 million to EUR 2.90 million over the past three financial years, which is indicative of the Company's streamlined setup.



### **Development of the investment portfolio 2017**

An even more significant feature for the FinLab AG business model, as an investor and an incubator of fintech companies, is the development of its investments, which is partly reflected in the financial result. The financial result of EUR 13.00 million (previous year: EUR 11.77 million) is almost entirely attributable to the fair value measurement of unlisted investments, so the financial result does not include the write-ups on the listed HELIAD Equity Partners investment. When using a DCF valuation method, an unlisted fintech investment was recognised as having an impact on income. As in the previous year, a large proportion of the financial result is attributable to the increase in value of the Deposit Solutions investment. In 2017, Deposit Solutions doubled its company value compared to the previous year, which was derived from a USD 20 million financing round.

#### **Financial result (in €m)**



Source: FinLab AG, GBC AG

Other investments are likely to have recorded gains in income in light of the very positive news arena. Furthermore, the new investments made in 2017 (FastBill, Vaultoro, ICONIQ Lab) should have been concluded slightly below valuation, so we expect valuation earnings too from these operations.

This will result in a typical P&L situation for portfolio companies, accompanied by high financial earnings and a comparatively low operating result (EBIT). As valuation earnings are not tax-relevant, the Company has low tax expenses. As a result, the financial result is “fully” reflected in the post-tax result of EUR 14.21 million (previous year: EUR 14.00 million).

Another earnings component that does not affect the result is the performance of the listed HELIAD Equity Partners investment, in which FinLab AG holds a significant stake of 45.2%. In 2017, the HELIAD share price of EUR 5.71 (31/12/2016) climbed significantly to EUR 9.48 (31/12/2017), which meant that given its virtually unchanged shareholding, FinLab AG recorded a total gain of EUR 16.81 million. This is recognised as a result-neutral revaluation basis in equity capital and thus in the NAV of FinLab AG.

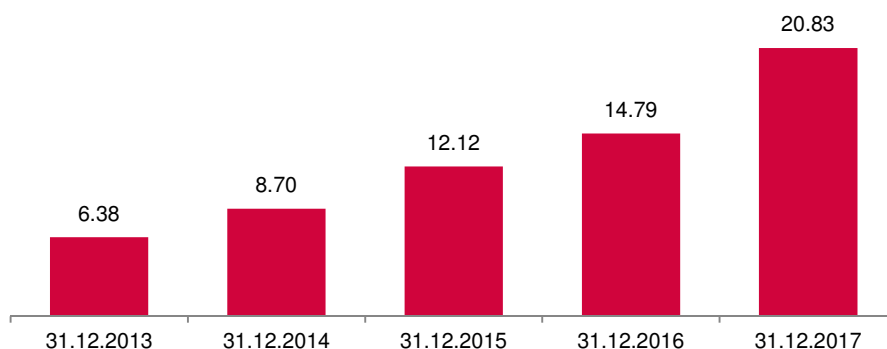
## Balance sheet and financial situation as at 31/12/2017

in €m	31/12/2014	31/12/2015	31/12/2016	31/12/2017
Equity	39.49	55.03	67.14	103.92
Equity ratio (in %)	92.1%	96.1%	94.1%	97.9%
Financial Assets	36.02	52.40	66.70	99.00
Securities and Cash	5.62	1.77	1.40	4.19
NAV per share	8.70 €	12.12 €	14.79 €	20.83 €
Cash Flow – operating	-0.06	2.62	0.89	1.83
Cash Flow – investing	2.61	-3.62	-1.21	-4.29
Cash Flow – financing	-1.40	-1.00	-0.32	5.61

Source: FinLab AG; GBC AG

The post-tax result of EUR 14.21 million, together with the revaluation reserve of the listed Heliad investment (EUR 16.55 million) and the capital increase undertaken in May 2017 (EUR 5.85 million: 450,000 new shares at EUR 13.00 per share), made for a significant increase in equity capital to EUR 103.92 million (31/12/16: EUR 67.14 million). As FinLab AG still avoids using external financial resources, the equity ratio of 97.9% (31/12/16: 94.1%) remains at a high level. The NAV per share once again saw a significant increase to EUR 20.83 (previous year: EUR 14.79).

### NAV per share (in €)

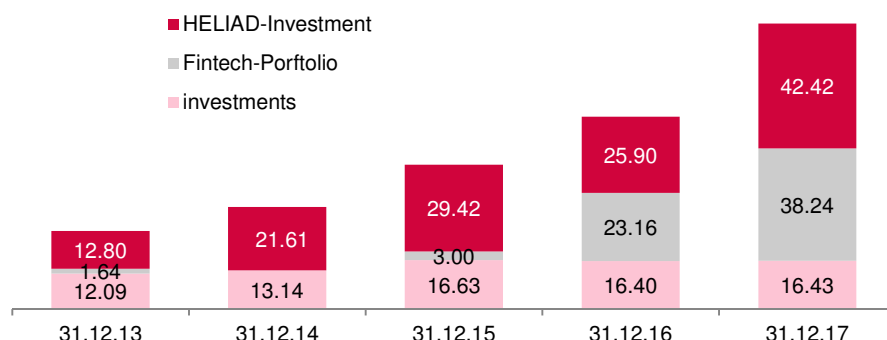


Source: FinLab AG; GBC AG

In terms of assets, FinLab's balance sheet is dominated by financial assets of EUR 99.00 million and liquid assets of EUR 4.11 million. Securities of non-current assets, amounting to EUR 42.42 million (previous year: EUR 25.90 million), play a dominant role. This balance sheet item includes the valuation of Heliad Equity Partners as calculated from the share price, which, due to the very strong share price performance, rose sharply to EUR 9.48 (31/12/16: EUR 5.71) given the Company's virtually unchanged shareholding.

The financial assets also include the unlisted fintech investments, whose value at the balance sheet date had also significantly increased to EUR 38.24 million (31/12/16: EUR 23.16 million). On the one hand, the new investments made in the past financial year 2017 in FastBill GmbH, ICONIQ LAB and Vaultoro Ltd. are displayed here. However, we expect that corresponding value increases were also recorded for fintech investments made in previous years.

### Financial Assets (in €m)

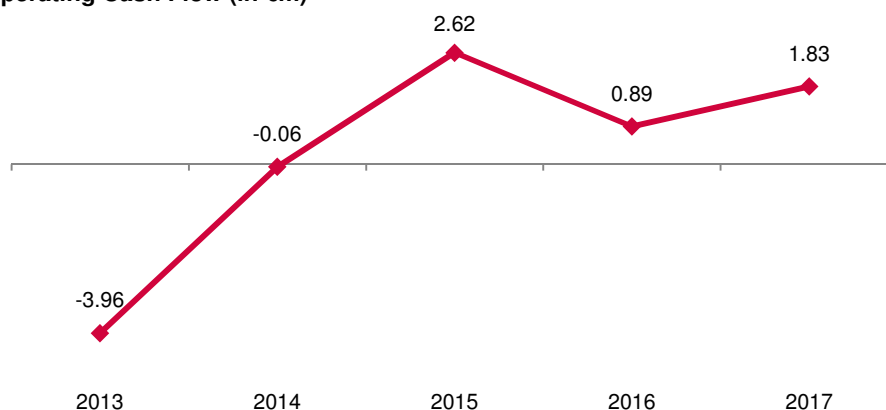


Source: FinLab AG; GBC AG

The increase in liquid assets to EUR 4.11 million (31/12/16: EUR 0.97 million) allowed the Company to promptly pursue potential investment opportunities. The increase in liquidity is primarily attributable to the capital increase implemented in 2017, which generated net proceeds of EUR 5.85 million. Together with the operating cash flow of EUR 1.83 million, the investment cash flow of -EUR 4.29 million was thus exceeded by EUR 3.14 million. The negative investment cash flow is a consequence of increased investment activity over the past financial year, with three new investments in fintech companies.

One particularly noteworthy development is the stabilisation of positive operating cash flow, which indicates that the Company has fundamentally solid internal financing capability. This operating cash flow is drawn from the traditional financial services business and is therefore linked to the recurring income from services provided to subsidiaries and from investment income and profit distributions to Heliad and Patriarch.

### Operating Cash Flow (in €m)



Source: FinLab AG; GBC AG

## SWOT-Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Experienced management team</li> <li>• Secure cash flows through the Heliad and Patriarch investments in the coming years</li> <li>• The balance sheet structure is very solid, with a high equity ratio of over 90% and no financial liabilities</li> <li>• FinLab AG's ongoing costs are covered by recurring cash flows</li> <li>• A certain number of new investments can be financed by the available liquidity and the current cash flow</li> <li>• The fixed cost base is low and the Company operates consistently within break-even from recurring income</li> </ul>	<ul style="list-style-type: none"> <li>• High dependence on the major investment in Heliad Equity Partners GmbH &amp; Co. KGaA</li> <li>• Difficult for investors to make forecasts due to the limited history of the fintech investments</li> <li>• The share is extremely illiquid due to a low free float of around 20%</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• The high demand for fintech business models could further boost the valuation levels of FinLab's investments</li> <li>• Fintech business models record high growth rates, which could also add value to FinLab AG's investments</li> <li>• New investments could increase the growth potential even further</li> <li>• The new fund with EOS.IO should bring an increase in management fees and growth in returns</li> <li>• A further increase in the price of the Heliad share would push the NAV of the FinLab share even higher</li> </ul>	<ul style="list-style-type: none"> <li>• FinLab AG's investments could grow more slowly than hoped</li> <li>• A sharp fall in the Heliad share price would weigh on the annual result and decrease the NAV</li> <li>• Prospects in the fintech market could turn once more and deteriorate significantly</li> <li>• Lack of investment opportunities in the market could slow down the Company's development</li> <li>• Competitors could use similar or identical business models to limit the market potential of the investments</li> </ul>

## OUTLOOK & VALUATION

### Latest developments and opportunities for the investments

#### Deposit Solutions GmbH

In 2017, the investment in Deposit Solutions GmbH continued on its previous growth path. Deposit Solutions GmbH functions as a fintech company, which means it can use its own open-banking platform to offer customers attractive daily and fixed-term offers from other banks, without having to enter into a new customer relationship. Customers therefore have easy access to the European deposit market through the company's own bank. In 2018, Deposit Solutions increased the value of its brokered investments to over EUR 5.0 billion. By contrast, the brokered volume was just EUR 1.0 billion at the end of 2016, making Deposit's platform one of the fastest growing fintech solutions.

In 2017, Deposit Solutions acquired another fintech company, SAVEDO. With more than 18,000 investors and 13 partner banks, SAVEDO has an extensive B2C business, which is likely to expand further within Deposit Solutions. At the end of 2017, Deposit Solutions raised USD 20 million in another financing round, thereby doubling the company's value compared to the previous year. We now expect the value to increase from approx. EUR 100 million (July 2016) to approx. EUR 200 million, which was recognised in FinLab's income statement in line with its shareholding.

#### FastBill GmbH

FastBill began recording initial successes very quickly after being added to the FinLab portfolio. The company recorded a significant increase in its customer base, which stood at 40,000 at the time of investment. It also agreed to strategic cooperation with DATEV, which considerably expanded the functionality of the self-developed software. FastBill's mostly medium-sized customers can therefore also access DATEV solutions as part of a SaaS solution. FastBill also works with Kontist to offer real-time bank account integration into an accounting product, which automatically processes receipts and payments.

#### Authada GmbH

Identification experts AUTHADA have also published an important milestone during the current financial year 2018. This company, which specialises in reading electronic identities from identity documents using the NFC interface for smartphones, was the first company ever to have its own software certified by the BSI (Bundesamt für Sicherheit und Informationstechnik – Federal Office for Information Security). This certification serves as proof that it has met the highest security requirements.

#### Vaultoro Ltd.

A new addition to the FinLab portfolio in 2017, Vaultoro Ltd. is a leading real-time trading platform for gold and bitcoin which announced the launch of its second product in 2018. With the newly introduced "Bar9" online savings account, customers can invest money in physical gold, which is stored in a Swiss vault. This process is completed without the involvement of any banks. Customers can use the savings invested in gold as money and make withdrawals in euros. There are also plans to release the first gold-based debit card in the near future and to expand the platform to incorporate additional precious metals such as silver and palladium, as well as cryptocurrencies.

#### ICONIQ Lab

ICO and Token Sale Accelerator ICONIQ Lab has successfully completed the private pre-sale of its ICNQ Club Membership Token to institutional and private investors. The funds collected will be used to finance the Accelerator programme, which will see support provided for five selected start-ups on their way to their own ICO. In the second

quarter of 2018, 15 million ICNQ tokens with a target volume of up to EUR 10.5 million are expected to be sold.

#### **Kapilendo AG**

Crowd-investing platform Kapilendo further expanded its investment volumes in 2017. At the same time, Kapilendo has provided more than EUR 20 million in financing for major projects including Hertha BSC Berlin and well-known start-up “Little Lunch”. In mid-June 2017, FinLab AG also reported the successful integration of crowd-investing platform “Engel und Völkers Capital”. This is a joint venture between Kapilendo AG and Engel & Völkers, one of the best-known real estate expert bodies in Germany. Combining the real estate expertise of Engels & Völkers with the technical know-how and platform of Kapilendo opens up opportunities for investing in attractive real-estate projects, now also possible with smaller amounts for investment. The platform is to be the base for construction and land project financing, with a guarantee of full financing for each project offered.

#### **nextmarkets GmbH**

E-learning and trading platform nextmarkets received approval as a securities trading bank in 2018. This certifies that it meets all quality requirements of the ESMA (European Securities and Markets Authority). It also means that nextmarkets customers are now able to open an account and trade real money within the app.

#### **New fund with EOS.IO**

In March 2018, FinLab AG announced that it was to increase its investment in the blockchain segment. With this in mind, a new fund is to be established in conjunction with leading blockchain software EOS.IO. FinLab AG has signed a memorandum of understanding with EOS.IO in which it commits to establishing and capitalising the fund to an amount of USD 100 million, under the assumption that the majority of funding will come from EOS.IO. FinLab AG should benefit from both management fees and, in line with its contributions, from the growth of the fund. The aim of the fund is to build and finance projects in Europe that can be integrated into the EOS blockchain.

## Valuation

We valued FinLab AG by calculating the net asset value (NAV) as a key performance indicator for portfolio companies, which is typical for the sector.

As at 31/12/2017, FinLab AG had equity capital of EUR 103.92 million according to its IFRS balance sheet. This contrasted with financial assets, securities and cash of EUR 103.19 million. The equity interest in Heliad Equity Partners GmbH & Co. KGaA (Heliad), in which FinLab AG holds a 45.2% stake, accounted for the lion's share at EUR 42.42 million. Heliad itself was last listed at EUR 9.48 on 31/12/2017, still well below the NAV of EUR 12.22 (31/12/2017). On this basis, the NAV discount is 47.2% and should therefore be considered as offering additional growth potential or hidden reserve for FinLab AG.

Since Heliad's market price is a key benchmark for FinLab's balance sheet, according to our calculations, the NAV markdown still present in FinLab AG's investment as at 31/12/2017 amounts to approx. EUR 12.23 million in significant hidden reserves.

In projecting the NAV based on the balance sheet data as at 31/12/2017, we have taken into account the expected and predictable revenue streams from traditional asset management business, i.e. the agreed management fees as well as dividend income of up to EUR 3 million in the liquid assets. We also included the expected holding costs amounting to EUR 2.5 million in the calculation. Furthermore, we class the development shown in fintech investments as value-creating and have adjusted the valuations accordingly:

### Calculation of the fair value per share of FinLab AG:

	31/12/2016	31/12/2017	23/04/2017
Heliad NAV as of the reporting date (in €m)	80.16	120.65	120.65
FinLab AG share in Heliad	47.04 %	45.20%	45.20%
<b>Fair value of the Heliad investment (in €m)</b>	<b>37.71</b>	<b>54.53</b>	<b>54.53</b>
<b>Market value of the shares held in Heliad (in €m)</b>	<b>25.53</b>	<b>42.31</b>	<b>42.31</b>
<b>Hidden reserves in the Heliad investment</b>	<b>12.18</b>	<b>12.23</b>	<b>12.23</b>
Financial investments/securities/liquid funds (in €m)	68.00	103.19	139.94
of which Heliad (in €m)	25.90	42.42	42.42
of which other investments (in €m)	39.56	54.66	91.60
of which cash/securities/loans (in €m)	2.97	5.42	5.92
<b>FinLab AG equity (in €m)</b>	<b>67.14</b>	<b>103.92</b>	<b>140.67</b>
Number of shares held by FinLab AG (in millions)	4.54	4.79	4.99
<b>NAV FinLab AG</b>	<b>14.79 €</b>	<b>21.83 €</b>	<b>28.20 €</b>
Hidden reserves per share (m€12.28 / 4.99 million shares)			2.45 €
<b>Fair value per share of FinLab AG incl. hidden reserves (rounded off)</b>			<b>30.65 €</b>

**Including the hidden reserves in the Heliad investment and the higher fair values we have calculated for the fintech investments, we value shares in FinLab AG at a fair value of EUR 30.65 (previously: EUR 30.65).**

## ANNEX

### I.

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2. The research report is simultaneously made available to all interested investment services companies.

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