Building a Global RegTech

Annual Report 2020

CORPORATE COMPLIANCE INVESTOR RELATIONS

» Corporate Profile «

EQS Group is a leading international provider of regulatory technology (**RegTech**) in the fields of **corporate compliance** and **investor relations**. In working with EQS Group, thousands of companies worldwide inspire trust by fulfilling complex national and international disclosure obligations, minimizing risks and communicating transparently with stakeholders.

EQS Group's products are pooled in the **cloud-based** software **EQS COCKPIT**. They ensure the professional control of compliance workflows in the fields of whistle blower protection and case management, policy management, insider list management and disclosure obligations. In addition, listed companies benefit from a global newswire, investor targeting and contact management, IR websites, digital reports and webcasts for efficient and secure investor communications.

EQS Group was founded in 2000 in Munich, Germany. Today the group employs **450 professionals** and has offices in the **world's key financial markets**.

» Key Figures «

Profit figures	**FY 2020**	**FY 2019**	**+/-**
Adjusted revenue*	**37,636**	31,869	18%
EBITDA**	**4,760**	2,554	86%
EBIT **	**163**	-3,176	>100%
Group net income**	**-832**	-1,693	-51%
Operating Cash flow	**5,786**	2,397	>100%
Asset figures	**Dec. 31, 2020**	**Dec. 31, 2019**	**+/-**
Balance sheet total**	**56,533**	49,935	13%
Equity**	**32,944**	25,177	31%
Equity ratio (%)**	**58%**	50%	-
Liquid funds	**12,074**	1,184	>100%
Group employees*	**FY 2020**	**FY 2019**	**+/-**
Average of the reporting period	**371**	364	2%
Personnel expenses**	**20,847**	19,822	5%
	Dec. 31, 2020	**Dec. 31, 2019**	**+/-**
Earnings per share (EUR)**	**-0.12**	-0.22	45%
Market capitalisation (million EUR)	**204.68**	89.69	>100%

Unless expressly otherwide stated, all data are in thousand Euros (except for the number of employees)

* Adjusted for the sale of ARIVA.DE AG

** Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes

» Index «

» Foreword, Achim Weick, CEO «

Dear shareholders, employees, partners and friends of EQS Group AG!

What a year! COVID-19, all employees working from home, investor relations now completely online, German issuers switching to our new IR COCKPIT, a strong increase in news volume, high demand for webcasts and finally exclusively virtual AGMs. At the end of the year, there was also a successful capital increase and two strategically important acquisitions. But first things first…

Back in 2000, the year we were founded, we firmly believed that radical **transparency** and **compliance** establish the most important value for all organisations: **trust**. And this was already happening at a time when digital investor relations was still in its infancy, just as digital compliance is today.

On our way to becoming the leading **cloud provider** in Europe for global **investor relations** and **corporate compliance** solutions, we achieved significant milestones in the last financial year and benefitted at the same time from three megatrends: digitisation, regulation and globalisation.

20 years ago now, we began to promote **digitisation** in investor relations and set industrial standards. Right from the start, we understood that our publicly listed customers need an efficient, integrated communication solution that covers all **disclosure, notification and documentation requirements** while enabling **active communication** with investors, employees and other stakeholders.

The new **IR COCKPIT** is our answer to this. It is the world's first cloud platform that digitally maps investor relations managers' most important work processes and intelligently links them to **global investor data** – a true "**game changer**" in times of MIFID 2 and COVID-19, when issuers and investors are almost exclusively communicating online.

The year 2020 was the breakthrough. Almost all major listed companies in Germany (including all 30 DAX companies) and most of our Swiss news customers signed a new **cloud contract (SaaS)** with us and switched to the new IR COCKPIT. After three years of development and 15 months of migration, this is a huge success that guarantees us **additional recurring revenue (ARR)** without abandoning our proven, usage-based pricing model for disseminating news. We will roll out the new platform internationally in the next few years.

COVID-19 gave us an additional tailwind in terms of digitising investor relations. Issuers often had to communicate on demand and were forced to do so exclusively online. The result: an increase in both **news volume** and **video and audio webcasts**, and **AGMs** were allowed to be held exclusively virtually for the first time.

Since 2017, we have also dedicated ourselves to the digitisation of a related area for us, **corporate compliance**. Companies are creating new departments for this purpose, and these departments rely on digital work processes from the outset, often with the same or similar requirements as investor relations departments. **Data security and data protection (GDPR)** in particular play a significant role when it comes to selecting providers. Our excellent reputation and wealth of experience, as well as our ISO certification, are significant competitive advantages when compared with European start-ups or US suppliers.

The **regulation** of financial markets and companies continues to progress worldwide, but especially in Europe. For example, all issuers in the regulated market have been obligated to generate and publish their annual financial reports in accordance with the **ESEF Regulation**. We were able to provide a convenient XBRL filing service, which includes conversion and complex tagging, in time for the introduction of the new regulation. We are the leading provider in Germany in this area.

Now to the most important EU directive for us in recent years, which all member states must transpose into national law by December 2021: Directive 2019/1937 on the **protection of whistleblowers**. In the first stage, this will affect approximately 50,000 companies in Europe with more than 250 employees, which will have to set up a secure reporting channel. From 2023, small businesses with 50 or more employees will be regulated, which amounts to almost 300,000 in Europe.

We are superbly positioned with major corporations and organisations with our digital whistleblower system **Integrity Line** (SaaS), and are progressing well in our key European markets. Last year, for example, we were able to acquire more CAC 40 companies in France and the world's largest social network from the USA as customers. We **acquired** the Danish supplier **Got Ethics A/S** in November to achieve market leadership in Europe. We now want to conquer the newly emerging mass market with its very scalable product. To this end, we will be investing heavily in marketing and sales over the next two years.

Our next step is to offer our customers a complete, digital **compliance management system** and expand **COCKPIT** into a central platform for corporate compliance. The management of corporate policies plays a key role here. We already cover the rolling out of new policies and the management of existing policies with our **Policy Manager**. In future, we will be able to offer an intelligent search function in the often extensive and confusing policies, including a chatbot and app, through **Rulebook**, which was developed by the Bonn-based SaaS company **C2S2 GmbH**. As we are convinced that the added value within the COCKPIT offer will be compelling, we acquired a strategic 23% stake in December and received an option on 100% of the business.

We also made progress in the development of other COCKPIT applications last year by successfully launching **Approval Manager**. This application can be used to digitally map approval processes for gifts and invitations, among other things, a requirement that is already regulated by law in France and will presumably also be on the agenda at EU level in the future. Two other applications are already in the concept design phase: **Risk Manager** and **Third Party Manager**, which will complete our platform for the time being. We will then map an integrated e-learning offer through partners.

Digitalisation and regulation go hand in hand with advancing **globalisation**. Even though this is increasingly being questioned in this age of trade wars and COVID-19, our customers are active all over the world and are therefore subject to countless local regulations, which must be met in as efficient and legally watertight a way as possible. In addition, they have communication strategies to reach investors, customers and employees and build trust.

We see our greatest growth potential in **Europe**. The increase in EU-wide regulation is leading to the strong **standardisation of transparency requirements**. There is still no pan-European supplier. In addition, our US competitors have not been able to offer their full range of products in Europe yet.

In our **German-speaking key market (Germany, Austria and Switzerland**), we remain the undisputed market leader for digital investor relations and have recently established a strong position in the market for whistleblowing. We have already acquired 175 customers in **France**, including half of the CAC 40 companies. In **Great Britain**, we have reached break-even despite Brexit, and our subsidiary in **Russia** has been growing very profitably for years. Through the acquisition of Got Ethics, we now also have a strong market position in **Scandinavia**. This year, we are also planning to serve southern Europe with new locations in **Italy** and **Spain**.

We cover our global investor and media network with our key pillars in New York and Hong Kong. While our **China** business surprised positively with a strong increase in video and audio webcasts and gave us an unexpectedly high EBITDA, EQS Group Inc. **USA** developed according to plan. We have gained a sustainable foothold in the world's IR market and are no longer growing solely through our own sales force, but also increasingly through agencies. Now we also want to start active sales in the area of corporate compliance, having been able to convince the first customer from the NASDAQ-100 of our whistleblower system.

One important pillar of our expansion strategy is the further expansion of our **technology site in Kochi**, India. In the last seven years, this has not only been established as a successful supplier of standardised IR solutions for our global markets. Meanwhile, many employees are also working on developing new products hand-in-hand with their colleagues in Munich. In our search for more highly qualified software engineers, we found what we were looking for in **Belgrade** and will be setting up a nearshoring development site there.

The rapid development of the EQS Group would not be possible without the passion and team spirit of our **highly qualified and committed employees**. At the same time, our strategy offers our employees a challenging, international working environment that encourages them to perform at their best and strengthens our success factors: innovative products, top quality and the best service. Our **strong appeal as an employer** is confirmed both by external evaluation platforms and by our annual employee survey, in which we were pleased to receive the highest rating to date last year.

Our **heartfelt thanks** go to all those who support us in making this great company relevant: our highly motivated employees, our long-standing customers and business partners, with whom we work together in a spirit of trust, and our loyal shareholders who support our growth plan/expansion/vision and encourage us in pursuing this path. We are looking to the future with great optimism and to continuing to have you by our side.

Sincerely yours,

Achim Weick, CEO

Munich, March 2021

» Investor Relations «

On the last trading day of 2020, the XETRA closing price of the **EQS Group** share was **€27.20**, 118% higher than at the beginning of the year (€12.50) taking into account the share split (ratio 1:5) completed in October 2020. Despite the strong share price performance, there was a high level of volatility due to the high level of uncertainty on the capital markets as a result of the pandemic. The share price ranged between €9.40 and €28.40. Compared to the benchmark, the TecDAX, which recorded an increase of +6%, the share performance was significantly better. The market capitalisation amounted to €205 million as of Dec. 31, 2020. With the increase in market capitalisation, the XETRA trading volume of the EQS share also increased significantly (+176%) compared to the previous year.

As a result of the successful **capital increase** from authorised capital, the EQS Group received an additional **€9.1 million** in **gross issue proceeds** in December last year. In the process, 350,000 new no-par value registered shares were issued in return for cash contributions. The company's share capital therefore increased to €7,524,890. The new shares were placed with institutional investors in an accelerated bookbuilding process at a price of €26.00 per share. The funds acquired were used to finance the investment in C2S2 GmbH, Bonn, and to finance growth in the Compliance segment.

EQS Group AG is represented in **Scale**, the Deutsche Börse quality segment for small and medium-sized enterprises (SMEs). With Baader Bank, GBC, GSC Research, Edison **Investment Research** and Quirin Bank five independent research houses issue research on EQS Group AG. All recommendations and estimates are available in the Investor Relations section on the EQS Group website.

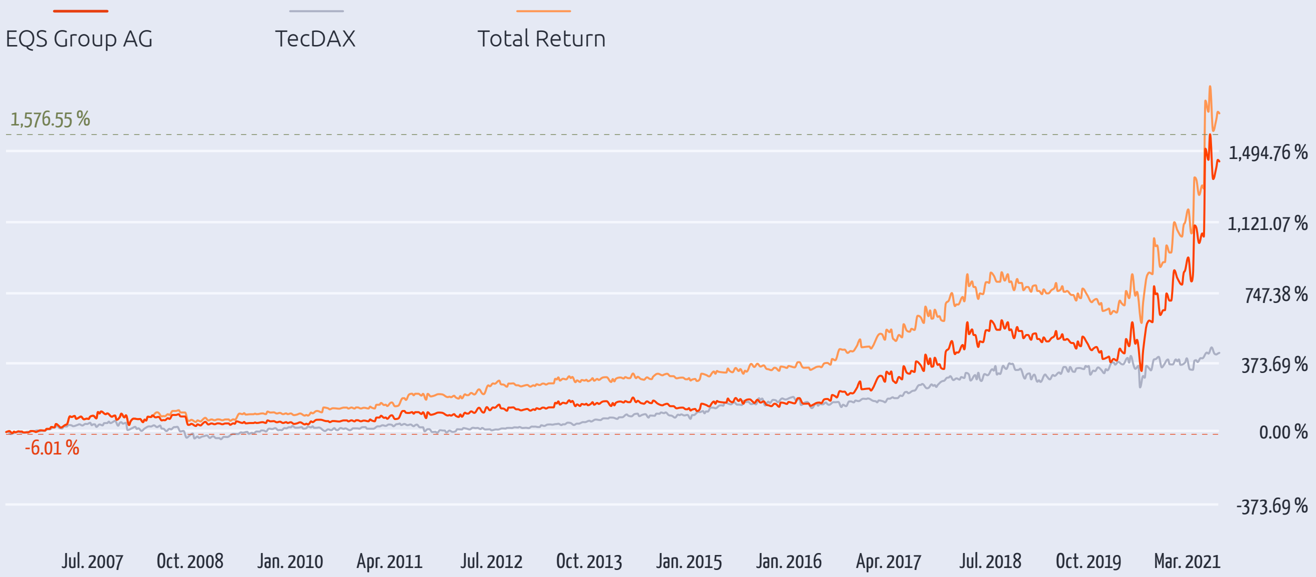
In the 2020 financial year, the Executive Board presented the company at numerous **investor conferences** again, although these were held virtually due to the pandemic. These included the Spring Conference, the German Equity Forum, the Quirin Champions Conference as well as the Baader Investment Conference and the Munich Capital-markets Conference (MKK). Two virtual roadshows were also carried out with MM Warburg in spring. EQS Group AG published an **interim report** for each quarter and held a **live video conference** with analysts and investors on the same day. The videos are also available for viewing in the Investor Relations section on our **corporate website**.

Due to the pandemic, it was only possible to attend the EQS Group AG **2020 Annual General Meeting virtually**. Shareholders took advantage of the opportunity offered by the **live debate and vote**. To our knowledge, EQS Group AG was the only company in Germany to offer this option to its shareholders and thus repeatedly performed pioneering work.

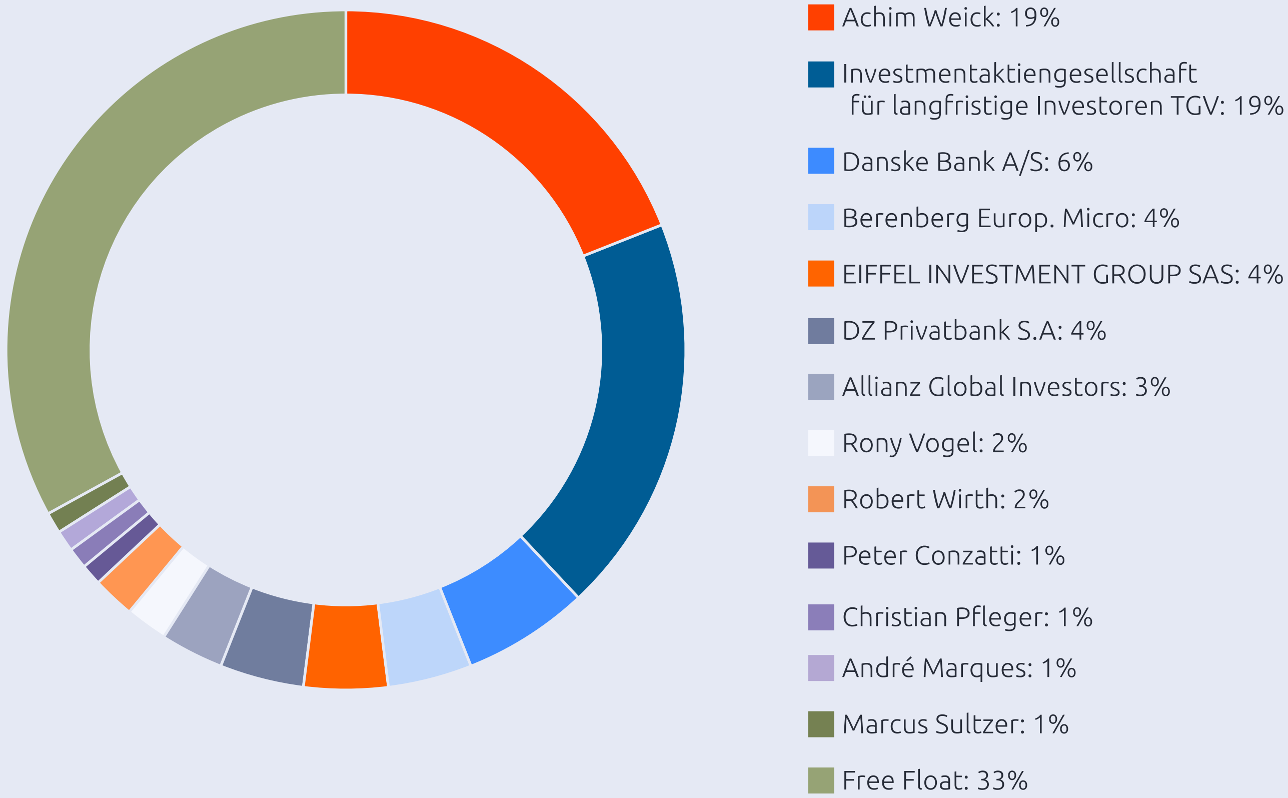
We at EQS believe that **integrity** and radical **transparency** create the most important corporate capital:

TRUST

» Share price performance since IPO «



» Shareholder structure of EQS Group AG «

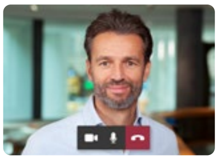


Institutional Investors >3% & Management and Board of directors

» Dialogue with the Executive Board «

EQS Group AG has mastered the challenging financial year 2020 with flying colours. The COVID-19 pandemic is changing the demands of daily work, daily interaction among colleagues, and business relationships with customers and service providers in ways that were unimaginable just a short time ago.

Achim, we usually start our dialogue with the Executive Board with the business figures and often with records that have been set. We probably would have gone into more detail about the company's 20th anniversary and a great celebration, but unfortunately it couldn't take place due to the COVID-19 pandemic. Was there a real "aha" moment for you during the year – and I don't mean the hygiene rules?



Achim Weick: *"There were actually several. My first "aha" moment came at the beginning of the pandemic in Asia. Our Hong Kong colleagues warned us of the danger early on. They already had experience with coronaviruses, with SARS in 2002 / 2003 and many years later again with MERS. At that time, there was a different awareness of the health hazards and the measures to be taken. They gave us valuable tips on how to interact with each other in the office and in everyday life too, and also immediately sent a large parcel of face masks to Munich when there were no more available to buy in Germany. It was clear to us at that point that we needed to let our employees work from home as early as possible."*

Christian Pfleger: *"And although EQS Group AG is already very well positioned digitally, it was not possible for our employees to do all their jobs from home straight away. We then created the technical requirements for this in record time, in just 5 working days. After two test runs, we were ready by the beginning of March."*

Was this also the reason for the lower level of new customer acquisition than planned at the beginning of the year?

Marcus Sultzer: *"It was the main reason, yes. We were able to add 301 SaaS customers in the 2020 financial year. Given the circumstances, this is a good performance and therefore also within our guidance of 300-350 new customers, which was adjusted at mid-year. At the beginning of the year though, we were still assuming 320 to 400 new customers."*

The EBITDA was planned in the range of €3.5 million to €4.5 million at the beginning of the year.

Achim Weick: *"Now it has even ended up as €4.8 million, which of course makes us very happy. But we're looking less at EBITDA at this point in time. We will achieve an EBITDA margin of at least 30% again in 2025. We see this margin as a logical consequence of accomplishing our growth plan: to achieve €100 million in revenues in 2025. However, now the first task is to develop the market for corporate compliance. We've been working on establishing this area since 2017 and we've truly achieved a great deal. At the end of the year, an EU directive must be implemented in all European countries, which stipulates the mandatory introduction of whistleblower reporting channels for around 50,000 companies. With this legal tailwind, the next few years will be all about winning as many customers as possible and becoming a market leader in Europe."*

Marcus Sultzer: *"That's why we also acquired Got Ethics from Denmark in December, the pioneers in operating digital whistleblowing systems in Europe. They already started 10 years ago. The two founders Peter Dagø and Jesper Dannemann will continue to drive the business forward with us in positions of responsibility."*

Achim Weick: *"These two and the entire team are brilliant. That's why it was another "aha" moment for me when we were given the opportunity to take over here, because it significantly increases our presence in the market. Just imagine, a new law is being implemented in 27 EU countries at the same time. We are positioning ourselves broadly here in order to acquire as many new customers as possible for whistleblower protection. It is comparable to when the German transposition of the Transparency Directive came into force. The acquisition has further improved our competitive position and we now have over 800 customers using our whistleblower solutions."*

But that wasn't the only acquisition in 2020?

Achim Weick: *"That's right. Just before the end of the year, we acquired a stake in the innovative SaaS provider C2S2. With roughly 23 percent. It deals with policy management in organisations, which complements our compliance products perfectly. The software is called Rulebook and helps companies communicate their corporate policies to employees in a simple and understandable way. Aram Kaven-Moser is the mastermind behind this application. AUDI AG and the REWE Group are among its first customers. It has also just been rolled out at E.ON. If all goes well – and I expect it will – we will take over all the shares."*

Marcus Sultzer: *"In addition to acquisitions, we have continued to build our own team and enhance our compliance products. We have been generating our first sales with Policy Manager and Approval Manager since 2020 and have gained great reference customers. Other applications are in the concept design phase for supplier management (third party due diligence), risk management and the area of e-learning for compliance. In future, we will therefore map all of the compliance officer's key work processes on a single platform, the COCKPIT."*

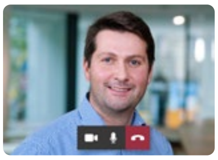
Marcus, you still have to tell us about the ECEC!

Marcus Sultzer: *"In October 2020, we established a new industry gathering for the compliance community with the European Compliance & Ethics Conference. Due to the contact restrictions, everything took place in the virtual conference room with live streams, chat functions and online panel discussions. I'm really going to start gushing about this as more than 5,000 participants registered and the majority of them were also there live. Already making the event one of the largest compliance conferences worldwide in its first edition. Presentations by Mr. Corporate Governance, Professor Christian Strenger, Financial Times investigative journalist Dan McCrum and ethics expert Dr. Klaus Moosmayer of Novartis were just a few of the many highlights. Le Groupe La Poste received the ECEC Award 2020. The presentations are available here. We have received such incredibly positive feedback. It is clear that the ECEC will also take place in 2021, and we have also created various virtual formats for the exchange of information among the compliance community during the year."*

Compliance is therefore advancing to become a significant growth driver over the next few years. In 2020, another issue drove revenue: investor relations customers switching to the new IR COCKPIT.

Christian Pfleger: *"Switching our German IR customers to the new IR COCKPIT was the main reason why we reached the upper end of our planning in terms of newly acquired recurring annual booking volume (ARR) at €5.3 million. Nearly all of our customers took this path. A great success but we've still got a long way to go in terms of potential. The next step will be to migrate our customers abroad, where we will also acquire more new customers for the IR COCKPIT in the coming years. In 2021, we will also recognise subscription revenue for the full fiscal year for the first time. This further increases the annual recurring revenue that is the hallmark of our Saas model."*

Revenues increased by 18 percent compared to the previous year, to €37.6 million. André, how satisfied are you with the key figures in detail?



André Marques: *"The COVID-19 year, as mentioned above, was also challenging for EQS Group. Nevertheless, we achieved our revenues and earnings targets. 2020 also showed how scalable our business model is once the investments run out. Our diversified business model has also proven its worth and we are still benefitting from three megatrends: digitisation, regulation and globalisation."*

2020 was dominated by digitisation. Is 2021 all about regulation with the EU's whistleblower directive being implemented? Or to put it another way, what outlook can you give us for the 2021 financial year?

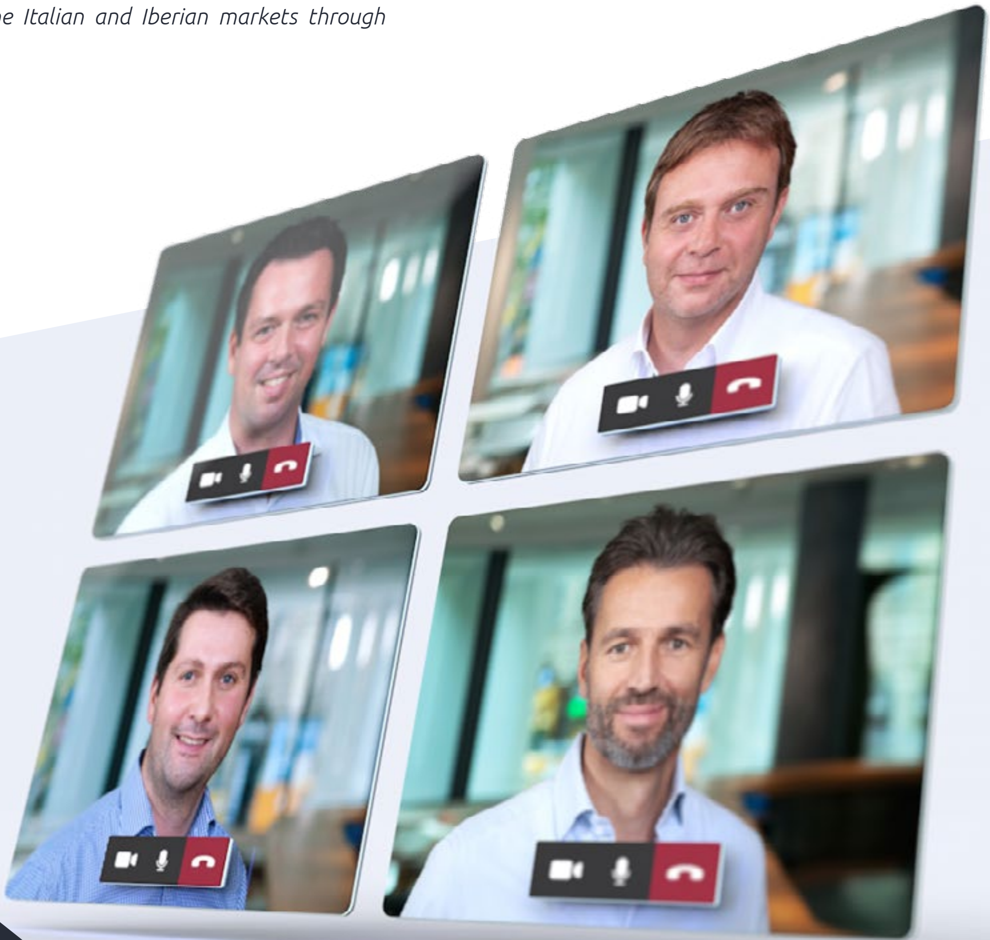
André Marques: *"It's exactly that. For 2021, the key performance indicator is the number of companies we can attract to our solutions in terms of whistleblowing. We want to add 1,500-2,000 SaaS-companies in 2021."*

Marcus Sultzer: *"The goal is to become the market leader in Europe in the next few years. To this end, we want at least 5,000 companies to use a whistleblower solution from EQS. This represents a 20% market share based on our current estimate for the relevant European market (25,000)."*

André Marques: *"But to answer your question for our 2021 expectation. For the newly acquired ARR, we would like to achieve at least €6 million, which is even more than in 2020. This leads to a planned revenue growth of 20 to 30 percent including the newly added revenue contribution from Got Ethics A/S. The EBITDA, on the other hand, is expected to only be between €1 million to €2 million, as we are in the short term again investing significantly in marketing and sales. We have also decided to address the Italian and Iberian markets through local sales companies. We are doubling our marketing expenditure as well. However, some of these are one-off investments that will no longer be necessary in subsequent years. For us, what Achim had already mentioned still applies: we have our sights firmly set on the 2025 EBITDA margin target of at least 30%. Until then, we are laying the foundations by making the necessary investments."*

Achim, what are your expectations for the year 2021?

Achim Weick: *"I am very proud of our team, which is working with so much power, passion and great team spirit towards our common goal of becoming the leading European cloud provider for global investor relations and corporate compliance. The year 2021, with the mandatory introduction of reporting channels, will be a very important milestone in this regard."*



Executive Board of EQS Group AG (l.t.r.): Marcus (CRO), Christian (COO), André (CFO), Achim (CEO)

» Supervisory Board Report «

Dear Shareholders,

EQS Group AG's Supervisory Board dealt in detail with the situation and development of the EQS Group during the 2020 financial year. The Supervisory Board monitored the Executive Board, closely supported it, advised it on important issues and performed the duties incumbent upon it under the law, the Articles of Association and the Rules of Procedure with great care during the financial year.

Constructive collaboration between the Executive Board and Supervisory Board

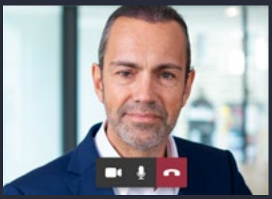
The collaboration between the Supervisory Board and the Executive Board was always constructive and characterised by open discussions based on trust. The Executive Board kept the Supervisory Board informed regularly and in a timely manner, both in writing and verbally, about all the relevant issues concerning the Group's development and strategy. The associated opportunities and risks, corporate planning and the development of sales, earnings and liquidity were discussed in detail. The Supervisory Board also kept itself informed about planned and ongoing investments, the accomplishment of plans, product segments and risk management.

The Supervisory Board regularly and intensively discussed the developments in the respective reporting quarters, the short and medium-term prospects as well as the long-term growth and earnings strategy internally with the Executive Board. This also included information on business development deviations from the plan. The Supervisory Board was closely involved in all decisions of fundamental importance to the Group. The Supervisory Board and the Executive Board were also in close contact outside the regular meetings. The Supervisory Board monitored the Executive Board's work on the basis of the monthly Executive Board reports and decided on projects requiring its approval.

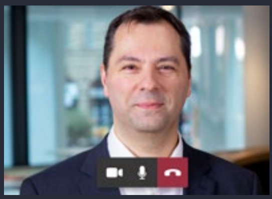
Meetings and focal points

In the 2020 financial year, a total of six ordinary Supervisory Board meetings were held (April, May, July, October, November, December), at which the Executive Board informed the Supervisory Board about the economic situation and business development. The Supervisory Board was fully represented at all meetings. In addition to the meetings, further resolutions on current topics were adopted by written circular. In addition, the Supervisory Board held several meetings (mostly video calls) to discuss significant topics such as the remuneration structure for the Executive Board, the Rules of Procedure for the Supervisory Board, the effects of ARUG II and the German Corporate Governance Codex (DCGK). Two committees were formed. The Audit Committee closely monitored the auditing of the financial statements. The Remuneration Committee dealt with the preparation of the remuneration model for the Executive Board.

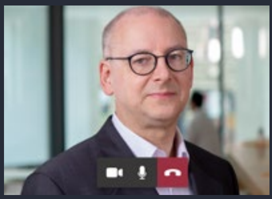
Supervisory Board of EQS Group AG



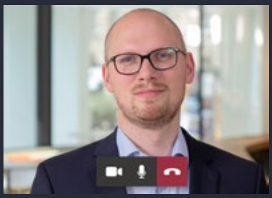
Rony Vogel
(Chairman)



Robert Wirth
(Deputy Chairman)



Peter Conzatti



Laurenz Nienaber

Discussions focused in particular on:

- The latest business development
- Discussion of possible scenarios, business continuation and liquidity management in light of the COVID-19 pandemic. Temporary fortnightly calls were made between the Supervisory Board and Executive Board in March, April and May, among other things.
- Geographical expansion
- Technical and operational development of the IR COCKPIT and Compliance COCKPIT
- Recruitment for management positions
- Lead generation for the Compliance business segment
- Installation of a Compliance Advisory Board
- Corporate governance topics such as ARUG II and the new DCGK, possible expansion of the Supervisory Board, diversity, Executive Board remuneration, Supervisory Board competence profiles
- Overview of the EQS IT security concept
- Intensive, detailed discussion of acquisition targets (Got Ethics A/S; C2S2 GmbH) and their financing
- Planning for 2021

The following key issues were also discussed at the meetings:

- Annual and consolidated financial statements for the 2019 financial year
- Profit distribution proposal for the 2019 financial year
- Invitation and agenda items for the 2020 Annual General Meeting with the proposed resolutions to the Annual General Meeting as well as the Supervisory Board report for the 2019 financial year
- Declaration of Compliance with the German Corporate Governance Code
- Group planning, sales, earnings and investment planning for 2020 as well as continuous discussion of the current situation

Composition of the Executive Board and Supervisory Board

There were no personnel changes to the EQS Group AG's Executive Board of four members in the 2020 reporting year. There were also no changes to the Supervisory Board of four members. For the 2021 financial year, the Group plans to support the Supervisory Board with necessary training and development measures. The loan from Supervisory Board member Robert Wirth to the Group was repaid in full in September 2020.

Annual and consolidated financial statements

The Annual General Meeting on Jul. 17, 2020 appointed BDO Wirtschaftsprüfungsgesellschaft, Hamburg as auditors for the 2020 financial year. It audited EQS Group AG's annual financial statements and the management report dated Dec. 31, 2020 and the consolidated financial statements in accordance with IFRS as of Dec. 31, 2020, including the Group management report and further notes as of Dec. 31, 2020 and issued an unqualified audit opinion in each case.

The Supervisory Board received the audited and certified annual and consolidated financial statements in accordance with IFRS as well as the management reports in good time before the audit review meeting on Mar. 30, 2021, examined them itself and discussed the documents in detail with the Executive Board. The auditors attended the meeting, reported in detail on their audits and their main audit findings, explained the audit report and answered all questions from the members of the Supervisory Board. The Supervisory Board has examined EQS Group AG's annual financial statements and management report as of Dec. 31, 2020, as well as the consolidated financial statements in accordance with IFRS as of Dec. 31, 2020, together with the Group management report and further notes as of Dec. 31, 2020, taking into account the auditor's audit reports, and has satisfied itself as to the accuracy and completeness of the factual information. The Supervisory Board concurred with the results of the audit by the auditor and determined that there were no objections to be raised. The Supervisory Board approved EQS Group AG's 2020 annual and consolidated financial statements at the balance sheet meeting on Mar. 30, 2021. The 2020 annual financial statements are therefore adopted within the meaning of Section 172 of the German Stock Corporation Act (AktG).

The Supervisory Board concurs with the Executive Board's proposal for the appropriation of EQS Group AG's balance sheet profit.

The Supervisory Board continued to address the principles of good corporate governance in the 2020 financial year. In March 2021, the Supervisory Board and Executive Board issued an updated voluntary Declaration of Compliance in accordance with Section 161 of the German Stock Corporation Act (AktG) and made it permanently available to shareholders on the EQS Group AG website. EQS Group AG complies with the Government Commission's recommendations on the German Corporate Governance Code in accordance with the version of the code published in the Federal Gazette in March 2020, with the exception of the deviations listed and justified in the Declaration of Conformity.

The Supervisory Board would like to thank all employees worldwide for their successful work and high level of personal commitment. At the same time, the Supervisory Board expresses its recognition and high esteem to the Executive Board and the entire management for their outstanding performance.

The Supervisory Board is proud to be able to continue to support EQS Group AG in its 21-year history.

Munich, March 30, 2021

Rony Vogel

Chairman of the Supervisory Board

» Values that lead us «

Team spirit
We have empathy and support/respect each other

Passion
We love what we do and are driven to achieve

Transparency
We are open-minded and actively share information

Trust
We are honest, trust each other and value a flat hierarchy

Ownership
We think/act like owners and take responsibility for our tasks

» Highlights 2020 «

New ARR

€5.32 mln.

New SaaS Customers

301

New IR COCKPIT

631

SaaS contracts

Operating Leverage

Revenue +18%*

Operating Expenses 7%*

Revenue

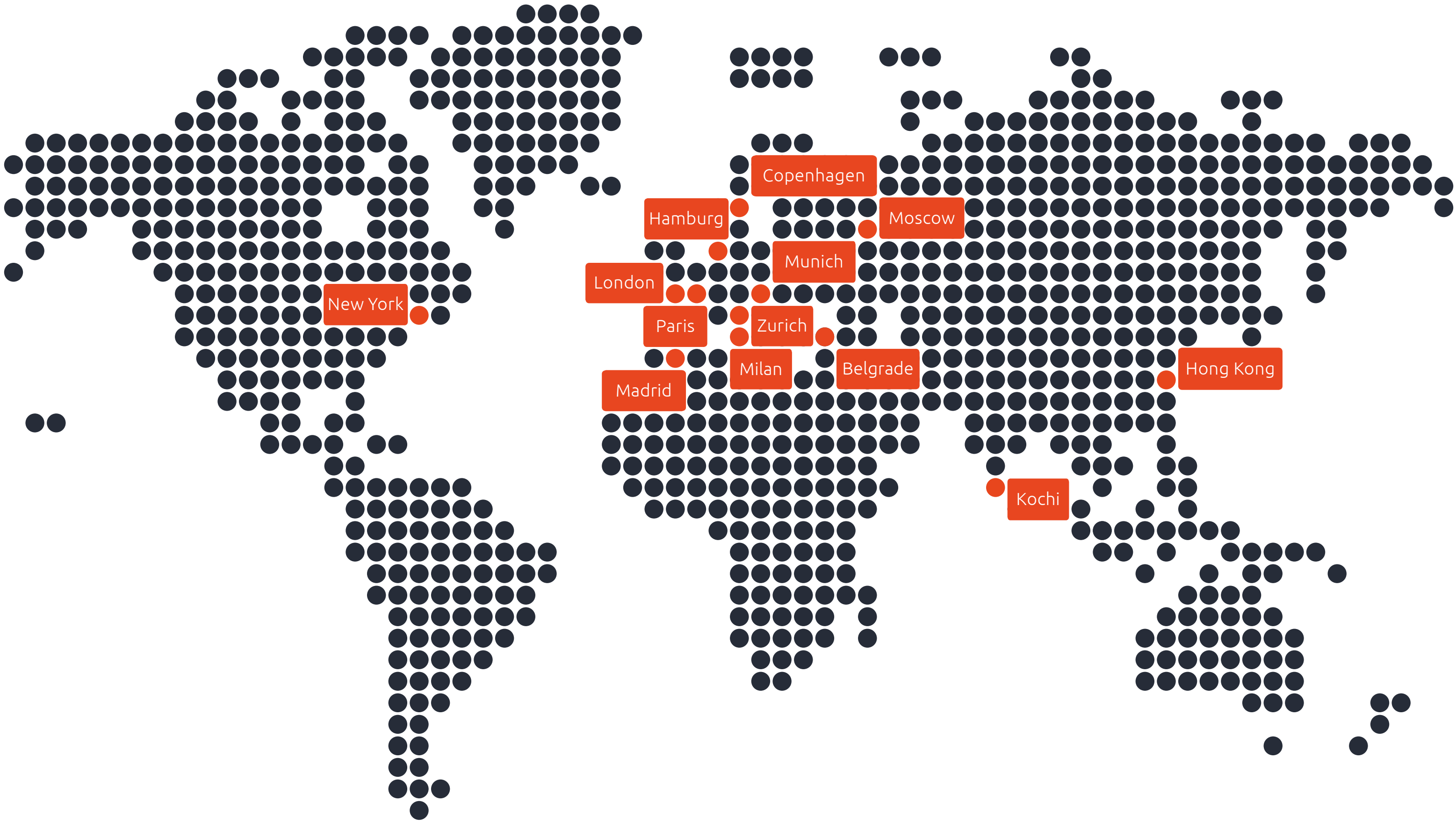
COMPLIANCE +12%*

INVESTOR RELATIONS +26%*

EBITDA

€4.76 mln.

**Pro forma excl. ARIVA.DE AG*



» Corporate structure «

Parent
EQS Group AG
(from 2000)
Germany
Austria

from 2006
EQS GROUP AG
Switzerland

from 2007
EQS Financial Markets & Media GmbH
Germany
Austria
Switzerland

from 2008
EquityStory RS, LLC
Russia

from 2013
EQS Asia Ltd.
(EQS TodayIR)
SAR Hong Kong
China

from 2013
EQS Web Technologies Pvt. Ltd.
India

from 2015
EQS Group Ltd.
UK

from 2015
EQS Group Inc.
USA

from 2017
EQS Group SAS
France

from 2021
EQS Group A/S
Denmark
Finnland
Norway
Sweden

from 2021
EQS Group S.R.L.
Italy

from 2021
C2S2 GmbH (23%)
Germany

MANAGEMENT REPORT

(Start of the audited part of the annual report)

A. Basic company information

» Business model «

EQS Group AG is an **international technology provider for compliance and investor relations (RegTech)**. In addition to its head office in Munich, the Group has locations in the world's financial capitals and a second technology centre in India.

Our "**Best Digital Solutions**" minimise risks by complying with local regulations, reaching global investors and media, and all relevant audiences.

Our **vision** is to position EQS Group AG as the **leading European** cloud provider for **global investor relations & corporate compliance solutions** by **2025**.

We use the **capital from investors** to offer our customers digital platforms, products and services. Our employees create the necessary innovations and cultivate customer and partner relationships.

EQS Group AG is a full-service digital provider: its **products** and **services** include a global newswire, mandatory reporting service, investor targeting and contact management, and insider list management. These are bundled in the **EQS COCKPIT cloud-based platform** to optimise investor relations, communications and compliance officers' work processes. EQS Group AG also offers software applications for approval management, whistleblowing and case management as well as policy management. Its offer is rounded off by websites, digital reports and webcasts for investor communication.

The **Compliance segment** comprises all products required to **fulfill regulatory obligations**. Due to standardised legal requirements for all customers, only cloud solutions are offered here. We further differentiate between SaaS-customers and Filing-customers in our sales and offer strategy in the Compliance segment. Our marketing and sales activities are mainly aimed at companies, but also at organisations or public bodies that invest in the area of compliance due to legal regulations or out of conviction.

The **Investor Relations segment (IR)** includes the products in **Finance & Corporate Communication and is aimed exclusively at listed companies**.

We generate extensive Software-as-a-Service (SaaS) revenue from the deployment of cloud software in both segments, in addition to receiving recurring revenue for report conversion and financial information filing, video and audio webcasts, and ongoing subscription revenue from hosting and maintaining these applications. In the News segment, we receive revenue per news item depending on the distribution network selected. One-off revenues result from the setting up of websites, apps, charts, tools or digital reports.

We use financial and non-financial performance indicators to **measure our corporate success** at Group and company level.

The **most important financial performance indicators** are **revenue (growth)** and **EBITDA**.

EBITDA is calculated as the total income (sales revenue, other operating income and capitalised personal contributions) minus cost of purchased materials and services, personnel costs and other operating expenditure.

The **most important non-financial performance indicators** are the **number of new customers** and the **new ARR**. The new ARR is defined as the newly acquired recurring annualised order volume.

Other non-financial performance indicators include **customer satisfaction** and **employee satisfaction**. We measure customer satisfaction using the Net Promoter Score, the difference between the customer recommendation rate and the rejection rate, in anonymous online questionnaires. The survey is aimed in particular at Group customers and asks about satisfaction with the services, the new products and customer service. Employee satisfaction is measured using a global survey in which employees rate their satisfaction with the employer on a scale of 1 to 5 in an anonymous online questionnaire. The choice of 1 stands for very dissatisfied and 5 for very satisfied. The survey focuses on measuring employee satisfaction with pay, working hours, internal cooperation, internal communication and development opportunities.

Each performance indicator correlates directly to our ability to deliver returns to our capital providers. Ultimately though, committed employees are crucial for our customer satisfaction and loyalty and the Group's success.

» Research and development «

The ongoing further development of existing products and the new development of cloud solutions ensure that the applications meet our customers' current and future requirements and form the basis for our future growth. As in the previous year, **2020** was characterised by our product drive and resulted in continued high product development expenses, but at a lower level than in 2019. This product drive is at the heart of the "EQS Cloud 2020" investment programme with the aim of developing EQS Group AG into a technology company in the regulatory sector (RegTech).

EQS COCKPIT, our centralised, cloud-based platform is at the heart of product development. While the **Investor Relations** segment focused on the **further development** of the CRM, Mailing and Investors applications launched in 2019, the **Compliance** segment focused on the **development of new applications**. In 2020, we worked both, on **Approval Manager**, an application that checks and digitally manages conflicts of interest, and on **Policy Manager**, an application that manages policies centrally with version compatibility. Completion is planned for 2021. This enables us to significantly expand our product range in the Compliance segment.

In total, **internally generated intangible assets** of **€1.67 million** (previous year: €2.69 million) were capitalised in the 2020 financial year, €961k in the IR segment and €710k in the Compliance segment. This represents 37% of all research and development costs (€4.46 million). **Amortisation** in the period under review amounted to **€873k** (previous year: €616k).

» Our Purpose «

» As pioneers in digitization of corporate workflows our true passion is to make Investor Relations, Communications and Corporate Compliance Officers **BETTER IN CREATING TRUST.** «

B. Economic report

» The economic and regulatory environment «

In 2020, the **global economy** suffered a dramatic setback as a result of the COVID-19 pandemic. In terms of real gross domestic product (**GDP**), a decline of **-4.3%** is expected, according to the World Bank's semi-annual report[1] published in January 2021. This is the largest decline since the Second World War and affects industrialised countries and emerging economies alike. The pandemic has cost millions of lives and plunged millions of people into extreme poverty. At the same time, government debt has increased enormously as a result of economic stimulus packages, which increases the susceptibility to financial crises. Even though significant growth is expected in 2021, the uncertainty of the economic outlook for the following years is high.

The economic situation in **Germany** was also accordingly affected by the COVID-19 pandemic in 2020. It caused an unprecedented collapse in economic activity in the spring of 2020. The service sectors with a great deal of contact were particular affected, with their business operations being considerably restricted or coming to a complete standstill as a result of government-imposed containment measures and voluntary adapted behaviour. With the reduced incidence of infection and the easing of containment measures, the economy rebounded strongly in the third quarter of 2020, driven by catch-up effects and in part a need to make up for lost time in the sectors that had previously nosedived. This recovery was halted again at the end of the year by renewed containment measures. For 2020, a decline in gross domestic product (**GDP**) of **-5.0%** is expected in Germany according to the Federal Statistical Office[2]. This is the biggest slump since the global financial crisis.

As a result of the economic impact of the pandemic, **share prices** fell more sharply globally and in Germany in the spring of 2020 than at any time since the financial crisis. Starting from 13,234 points at the beginning of the year, the leading index fell by **-38%** to as low as **8,256 points in March 2020**. However, contrary to the economic trend, the german blue chip index **DAX** closed the year at **13,719 points, +4%** higher than at the beginning of the year, after an unprecedented rise. The number of **IPOs** and listings in the Prime- and General Standard in Germany was also up with **seven** compared to the previous year's figure of five. By contrast, the number of companies listed on the regulated market (Prime- or General Standard) fell again as a result of delistings and insolvencies. As a result, there were seventeen fewer companies and therefore only 438 in the regulated market as of Dec. 31, 2020. Companies also withdrew from the Scale and Basic Board over-the-counter segments. As a result, there were only 121 companies listed in these segments as of Dec. 31, 2020 (decline on previous year: -6).

[1] https://www.worldbank.org/en/news/press-release

[2] https://www.destatis.de/DE/Presse/Pressemitteilungen/2021/01/PD21_020_811.html

» Results from operations «

With our strategic expansion of the business areas to include compliance and our development into a technology company with revenues from **software-as-a-service (SaaS) products**, we have introduced additional key performance indicators for business development and therefore also in reporting.

The focus here is on the **share of recurring revenues (RR ratio)**, which indicates the quality of revenues and the scaling potential. The decisive factor for the growth dynamic is the contractually **newly** concluded recurring annual business volume **(ARR)** as well as the **number of new and total customers** in the reporting period.

Due to the **sale of our subsidiary ARIVA.DE AG** and the associated deconsolidation of the company as of Jul. 1, 2019 , we are not only reporting the income and expenses of the Group as a whole for the previous year but also the adjusted income and expenses of the continuing operations for ARIVA.DE AG (adjusted income and expenses). This allows for better comparison with the financial year. The profit and loss account shows the income and expenses of the continuing operations (adjusted income and expenses), the divested operations and the Group as a whole.

Revenues for the Group as a whole, i.e. including ARIVA.DE AG in the first half of 2019, increased by +6% in 2020. **Adjusted Group revenues rose** by **+18%** to **€37.64 million** (previous year: €31.87 million) and were therefore within the forecast range for the whole of 2020 (+15% to +20%). We benefited from the scheduled **migration** of existing customers to the new **IR COCKPIT**, a **surge in demand for digital solutions in the Investor Relations** segment due to the COVID-19 pandemic, and growth momentum from the new **ESEF regulation** for compliance services.

New ARR added in 2020 was **€5.32 million**, well above the previous year (€3.80 million) and at the upper end of our expectation (€4.5 to €5.5 million). In terms of **recurring revenues** of **€29.41 million** in the 2020 financial year, **ARR growth** was **+18%**. At **78%**, the share of recurring revenues in total revenues was also at a high level (previous year: 81%).

In terms of the important indicator of **new customers**, we were also able to achieve our targets for 2020 with **301 SaaS customers**, but are at the lower end (300-350). The total number of customers rose to **2,574**. The annualised churn rate increased to 8%. The reasons for this include numerous delistings as well as the introduction of an additional SaaS licensing model for the use of our new IR COCKPIT. The market share with German customers from the regulated market is 85% as of Dec. 31, 2020 (previous year: 90%).

In product development, the focus was on expanding the **Policy Manager** and **Approval Manager** compliance solutions and improving the existing applications in the new **IR COCKPIT**. **Development costs** of **€1.67 million** were capitalised, which is significantly less than in the previous year (€2.69 million). The introduction of new cloud products is associated with an expansion of subscription revenues and a further increase in the share of recurring revenues.

Other operating income for the Group was comparable to the previous year at **€473k** (previous year: €478k). An earn out for the sale of ARIVA.DE AG in 2019 of €246k was recognised as other income in the 2020 financial year. In the previous year there was an earn out reduction for the acquisition of Integrity Line GmbH, Switzerland, in 2018, which resulted in income of €159k.

» Segments «

The grouping of our products into the two segments **Compliance** and **Investor Relations** is in line with our sales markets.

The **Compliance segment** comprises all products required to **fulfill a regulatory obligation**. This includes the **SaaS solutions** for reporting obligations in News (Disclosure), Insider Manager, Integrity Line, Policy Manager and Approval Manager, which are combined on the **COCKPIT cloud platform**. We also provide other cloud services in the form of filings (XML, XBRL) and LEI. Since many of these customers do not necessarily use the COCKPIT, these customers are recognised separately.

The **Investor Relations segment (IR)** includes the products on offer in voluntary **Investor and Corporate Communication**. The **COCKPIT cloud platform** bundles the **SaaS solutions** Newswire, Investors (investor data), CRM and Mailing. Outside of the platform, there are other cloud services such as websites, tools, reports, webcasts, virtual AGM and media.

In the **Compliance segment**, there was a **higher than planned** growth in the area of filing services due to the new **ESEF** regulation as well as stronger than expected demand for the **LEI** issuing service. At the same time, the pandemic led to **longer sales cycles** for the **Compliance COCKPIT** and therefore to weaker than expected growth. We therefore achieved an **adjusted** (for the sale of ARIVA.DE AG) **increase in revenues** of **+12%** to **€19.97 million** (previous year: €17.87 million*) and are in line with the forecast (+5% to +15%) as a result. In the Group as a whole, revenues increased by +4% compared to the previous year.

The number of **SaaS customers** increased by **74** to a total of **1,354 customers** in 2020. New customers were acquired primarily in the German, French, Swiss and UK markets. Although the new customers for compliance solutions are not yet fully reflected in revenue growth, this will increase the revenue carried forward into the next quarters.

In the **Investor Relations** segment, revenues for the Group as a whole increased by +10% and **adjusted segment revenues** by **+26%** to **€17.67 million**, therefore exceeding the set targets (15% to 25%). On the one hand, this is the result of the **scheduled migration** of existing customers to the **new IR COCKPIT** and the associated additional revenues. By the end of 2020, we were able to sign **SaaS contracts** for the new IR COCKPIT with a total of **631 companies**. **Revenues** from the **new software applications** in the IR COCKPIT amounted to **€3.31 million**. On the other hand, there was an unexpected **surge in demand for digital solutions in the area of investor relations**, such as webcasts, due to the pandemic.

The **number of SaaS customers** fell slightly year-on-year by **-18** to **2,154**. For the reasons, please refer to the previous "Results of operations" section.

2020 FY segments	*Compliance*	*YOY*	*Investor Relations*	*YOY*
Revenues from cloud products	€10.70 million	15%*	€7.85 million	48%
Revenues from cloud service	€9.27 million	9%	€9.82 million	13%*
EBITDA	€5.22 million	82%	€-0.46 million	-48%
SaaS customers (formerly "Large Caps")	1,354	6%	2,154	-1%
Filing customers (annual basis)	4,858	2%		

* Adjusted for the sale of ARIVA.DE AG

» Geographical development «

Domestic

The **domestic business** recorded a 1% increase in revenue for the Group as a whole in 2020 and an **adjusted increase** of **+17%** to **€26.95 million**, which was at the **upper end of our expectation**. Strong growth in audio and video webcasts as a result of the COVID-19 pandemic, as well as better than expected new customer business in filing (ESEF) and LEI, resulted in additional revenue. As planned, we recorded a strong increase in revenues with the **new IR COCKPIT** and the associated signing of additional SaaS contracts. **Contracts** had been concluded with **487 customers** by the end of the year.

In 2020, **107 SaaS customers** (excluding individual LEI & filing customers) were **added** in Germany. However, the **number of customers** remained almost unchanged compared to the same period of the previous year at **1,251**. The churn rate is 8%.

Our Mission

We deliver the

BEST DIGITAL SOLUTIONS

- to minimize risks by complying with **local regulations**,
- to reach stakeholders **globally** and
- to **save time** and **money** by managing workflows digitally

International

Our **international business** achieved a **+21% increase in revenue** to **€10.69 million** in 2020 (previous year: €8.82 million) and was therefore slightly above our expectations due to a strong increase in webcast business as a result of the COVID-19 pandemic. **144 contracts** were concluded for the **new IR COCKPIT** abroad by Dec. 31, 2020.

In 2020, our foreign subsidiaries added **194 SaaS customers**. Taking the loss of customers into account, the number of **customers** increased by a further **99** companies to **1,323** on an annualised basis. The annualised churn rate was 8%. All foreign locations were able to increase their revenues, with Asia, France, the UK and the USA recording figures in the high double digits.

As a result of the sale of ARIVA.DE AG in 2019, the **foreign share of revenues** is **28%** in 2020 (previous year: 25%).

2020 FY geographic market	***Domestic***	*YOY*	*International*	*YOY*
Revenue	€26.95 million	17%*	€10.69 million	21%
EBITDA	€3.84 million	26%	€0.92 million	>100%
SaaS customers	1,251	0%	1,323	8%

* Adjusted for the sale of ARIVA.DE AG

» Our principles «

- Put the client first (company, result)
- Be ambitious and humble
- Challenge decisions, but once they're made, commit wholly to them
- Have integrity and demand it from others
- Confront brutal facts, yet never lose faith
- Take responsibility for poor results ("look in the mirror")
- Give praise for good results ("look out of the window")
- Make mistakes, but learn from them ("fail well")
- Support and develop your team members
- Lead by example

In dedicating ourselves to the EQS values, we practice 10 work principles for successful collaboration

» Development of expenditure «

Due to the **sale of our subsidiary ARIVA.DE AG** and the associated deconsolidation of the company as of Jul. 1, 2019, we are not only reporting the income and expenses of the Group as a whole for the previous year but also the adjusted income and expenses of the continuing operations for ARIVA.DE AG (adjusted income and expenses). This allows for better comparison with the financial year. The profit and loss account shows the income and expenses of the continuing operations (adjusted income and expenses), the divested operations and the Group as a whole.

The **operating expenses of the Group as a whole** (purchased services, personnel expenses and other operating expenses), decreased by **-3%** to **€35.02 million** (previous year: €35.98 million**) in the 2020 financial year as a result of the deconsolidation of ARIVA.DE.AG on Jul. 1, 2019. **Adjusted** for the expenses of **ARIVA.DE AG** in the previous year, expenditure **increased by +7%**. The disproportionately low increase in expenses compared to adjusted revenue is due to the completion of the new applications for IR COCKPIT and the associated expiry of the "EQS Cloud 2020" investment program. However, in view of the implementation of the European whistleblower directive in 2021, investments in marketing and sales were stepped up from Q4 2020.

The largest expense item for the Group as a whole, **personnel expenses**, decreased by **-7%** to **€20.85 million** in 2020 (previous year: €22.33 million**). On average, the Group employed 371 people worldwide (previous year: 414). **Adjusted*** personnel expenses rose by **+5%** and were therefore **below plan**.

As a result of the completion of the new applications for the new IR COCKPIT, freelancer capacity has been gradually reduced since the second quarter of 2019. At the same time, increased demand for video webcasts as well as the ESEF filing service led to a significant increase in **purchased services** from the second quarter of 2020. In total, these increased by **+19%** year-on-year on an **adjusted** basis and amounted to **€7.26 million** (previous year: €6.13 million*).

Other operating expenses (adjusted) rose only slightly by **+3%** to **€6.91 million** (previous year: €6.68 million*) as a result of COVID-19 related savings, e.g. in travel expenses. Marketing and sales expenses have been increased in view of the upcoming implementation of the European whistleblower directive from the fourth quarter of 2020, which will also continue in 2021.

EBITDA jumped to **€4.76 million** (previous year: €2.55 million**; adjusted : €2.30 million*) with the use of the **operating leverage**. As a result, the target range of the EBITDA forecast for 2020 (€4.0 million to €5.0 million) was achieved.

Depreciation (adjusted) dropped by **-11%** to **€4.60 million** (previous year: €5.16 million*). This includes an **impairment of goodwill** for the German subsidiary **EQS Financial Markets & Media GmbH** (€645k). The expected stabilisation of advertising customers' media budgets failed to materialise here. As a result, the goodwill was depreciated down to €1.01 million. The completion of the new IR COCKPIT and the associated first-time amortisation is associated with an increase in amortisation of internally generated intangible assets. Capitalised personal contributions of €873k were amortised in 2020. Other depreciations were made on rights of use (IFRS 16) in the amount €1.78 million and on acquired customer bases and purchased software of €837k. All the customer bases acquired were depreciated as planned.

EBIT amounted to **€163k**, a significant year-on-year improvement (previous year: €-3.18 million**).

Negative exchange rate effects with simultaneous consideration of the net interest expense (€190k), of which €115k led to an expense of **€-396k** in the **financial result** due to IFRS 16, while earnings of €2.09 million**, which resulted largely from the sale of ARIVA.DE AG, were recorded in the previous year. The group earnings before taxes were accordingly €-233k (previous year: €-1.08 million**).

Deferred tax liabilities resulted in a disproportionate tax expense of €-599k (previous year: €-610k**). A **net loss** of **€-832k** was recognised in the consolidated result in 2020 (previous year: €-1.69 million**).

* Adjusted for the sale of ARIVA.DE AG

** Previous year figures adjusted. We refer to bullet point 2 "Significant accounting and valuation methods" (2.4 Amendments to the previous year's figures) in the notes to the consolidated financial statements

» Development of net assets and financial position «

As a result of a capital increase in December 2020, the **balance sheet total** increased by **+13%** to **€56.53 million** as of Dec. 31, 2020 (previous year: €49.93 million).

As a result of the regular depreciation of **property, plant and equipment** in accordance with IFRS 16 (€1.78 million), the item was reduced to **€7.22 million** as of the balance sheet date (previous year: €8.84 million).

Compared to the end of the previous year, **intangible assets** decreased from €32.01 million to **€31.02 million** due to the unscheduled depreciation of the goodwill of EQS Financial Markets & Media GmbH (€645k). Intangible assets include acquired customer bases with a carrying amount of €5.96 million as of Dec. 31, 2020, which are amortised on a straight-line basis over a total term of 15 years, as well as purchased software (Integrity Line) and internally developed software in the amount of €8.16 million.

Compared to the previous year, **trade receivables** increased disproportionately low compared to revenues by **+4%** to **€3.92 million** (previous year: €3.77 million). This is due to an increase in customer prepayments. Similarly, there was no significant economic impact on incoming payments due to the COVID-19 pandemic. **Other assets** of **€1.37 million** (previous year: €1.02 million) increased as a result of higher advance invoice payments, among other things.

Equity increased by **+31%** to **€32.94 million** (previous year: €25.18 million**) as a result of the capital increase against cash contributions as at Dec. 31, 2020. As a result of the net loss, **the balance sheet profit** fell to **€4.71 million** (previous year: €5.61 million**). The **equity ratio** improved to **58%** as of the balance sheet date (previous year: 50%**).

Provisions increased significantly by **+67%** to **€3.04 million** (previous year: €1.82 million**), including provisions for outstanding invoices €922k. **Trade payables** decreased accordingly by **-11%** to **€1.65 million** (previous year: €1.85 million). Higher customer prepayments (+33%) led to an increase in **other liabilities** of **+23%** to **€5.30 million** (previous year: €4.31 million**).

The pro rata repayment of loans in 2020 and the repayment of a shareholder loan (€1.25 million) led to a significant reduction in debt. As a result of the capital increase, there are **cash and cash items** of **€12.07 million** as of the reporting date (previous year: €1.18 million). Accordingly, there is a **net liquidity** (cash and cash equivalents less financial liabilities) of **€1.16 million** as of Dec. 31, 2020. **Adjusted for liabilities from leasing of €6.12 million**, the **net liquidity** was **€7.28 million** (previous year: net debt of €5.76 million). Deferred tax liabilities also increased significantly to **€2.52 million** (previous year: €2.08 million**), due to the capitalised personal contributions.

Due to the low level of revenues in foreign currencies (20% to 30%), which are mainly in hard currencies (CHF, GBP, HKD, USD) and partly characterised by mutually opposing developments, **currency hedging transactions** are not currently being used. The Group uses short-term liquidity planning and rolling multi-year liquidity planning to **manage its liquidity**. In addition, the subsidiaries plan their liquidity in coordination with the parent company.

** Previous year figures adjusted. We refer to bullet point 2 "Significant accounting and valuation methods" (2.4 Amendments to the previous year's figures) in the notes to the consolidated financial statements

» Staff «

As a result of the global expansion of the marketing and sales organisation, the number of permanent **staff** increased significantly to **414** as of the balance sheet date (previous year: 353). In Germany, the number of employees rose to 238 (+40). The global sales locations were also strengthened. The technology site in Kochi was further expanded to 92 employees (+6). On average, EQS Group AG employed 371 people in 2020.

	Development	*Marketing / Sales*	*Data Services*	*Management/ Administration*	*Design/ Content*	*Newsroom/ ERS-System*	*Total*
Dec. 31, 2020	179	81	52	57	36	9	**414**
Dec. 31, 2019	167	58	41	39	42	6	**353**

» Business performance – Summary «

EQS Group AG's goal is to become the **leading European cloud provider for global investor relations and corporate compliance solutions (RegTech)** by 2025.

2020 was a **successful** and **eventful** financial year for the EQS Group on this path. From the Group's point of view, the focus was on the **migration** of our existing customers to the new **IR COCKPIT**. This was carried out successfully. At the same time, 2020 was heavily impacted by the **COVID-19 pandemic**. While our digital products experienced a surge in demand, new customer acquisition in the Corporate Compliance segment was slower as many companies postponed the introduction of new software as a result of the pandemic. **Revenues** increased by +6% for the Group as a whole and by **+18%** when **adjusted** for the sale of ARIVA.DE AG, and were therefore at the upper end of expectations. The **operating expenses for the Group as a whole** developed at a **lower rate** than revenues at -3% and adjusted +7%, although investments in marketing and sales were increased significantly from Q4 2020 onwards.

At **€4.76 million, EBITDA** was at the upper end of expectations.

In the fourth quarter of 2020, EQS Group AG signed a purchase agreement for 100% of the shares in **Got Ethics A/S, Denmark**, a leading SaaS provider of digital whistleblowing systems. This **acquisition** was made with a view to the EU's whistleblower directive being implemented in December 2021. The share purchase became **effective** upon payment of the base purchase price in **January 2021** and will be consolidated in 2021. Likewise, a contract for the investment into C2S2 GmbH (23%), Bonn, an innovative SaaS provider for policy management, was signed in December 2020. This became effective in January 2021 by paying the purchase price.

C. Report on forecast, opportunities and risks

» Outlook 2021 «

New SaaS Customers
1500 - 2000

Revenue Growth
20% - 30%*

New ARR
€6 mln.

EBITDA
€1.0 - €2.0 mln.

Net Promoter Score
Stable

Employee Satisfaction
Constant Level

****Incl. consolidation of Got Ethics A/S***

» Forecast report «

The **spread of the novel coronavirus** developed very dynamically and worldwide starting from China in January 2020 and **has not yet been stopped** despite the development of several vaccines and the commencement of them being administered from December 2020. **An end to the pandemic is currently not foreseeable** in light of the dynamics of the spread, new virus variants and a still low proportion of vaccinated people in the population.

For the **German economy**, the Bundesbank[3] is expecting a significant increase in German gross domestic product (**GDP**) of **+3%** again in **2021**, following the pandemic-related economic slump in the previous. However, this would leave the German economy behind the pre-crisis level.

EQS Group AG is still not feeling any significant negative effects from the pandemic on its business development. However, it is possible that these will come at a later point in time.

Assuming that the COVID-19 pandemic continues to have no significant impact on EQS Group AG's business, the **Executive Board** is **planning** for an **increase in revenues** of **+20%** to **+30%** to then **€45 million** to **€49 million** in the **2021** financial year.

We are forecasting a **revenue increase** of **+30%** to **+40%** for the Compliance segment for the 2021 financial year. In this context, we are expecting higher revenue increases in the second half of the year from the compliance software modules, in particular from the Integrity Line whistleblower system as a result of the European whistleblower directive being implemented in December 2021.

In the **Investor Relations** segment, we are expecting **10 to 15 IPOs** in 2021 as a result of the recovery of the equity markets. We are also not assuming a notable number of delistings at the moment.

We therefore expect **revenue growth** of **+8%** to **+18%**. This increase is due in particular to the new IR COCKPIT.

For **EBITDA**, we are expecting a temporary decline to **€1 million to €2 million** in **2021** due to extensive investments in marketing and sales in the context of the European whistleblower directive being implemented.

With regard to the **new ARR** key figure, which quantifies the contractually newly concluded recurring business volume, we are expecting a volume of at least **€6 million**.

In the area of **new SaaS customers**, the focus in 2021 will be on the number of companies and organisations using the EQS Group's whistleblower system. The goal is to acquire **1,500 to 2,000** new SaaS customers.

We are expecting **consistently high staff satisfaction** for 2021 (2020: 4.22 out of 5 achievable levels). We are also expecting **customer satisfaction** as measured by the Net Promoter Score to remain **stable at a high level** in 2021 (2020: 40).

[3] https://www.bundesbank.de/de/presse/pressenotizen/bundesbank-projektionen-deutsche-wirtschaft-von-coronavirus-pandemie-gepraegt-853684

» Risk report «

EQS Group AG's risk policy is an integral part of the corporate policy. Our goal is to continuously increase the value of the Group while generating appropriate returns over the long term. Since the pursuit of the objective is directly linked to potential risks, the responsible handling of risks constitutes the key principle of our risk policy.

Systematic risk management for the early identification and assessment of risks, as well as the use of appropriate measures to reduce risks, is regarded as an ongoing task of the Executive Board and a management task in every area of the Group. The Group's risk policy also takes into account that the willingness to take risks is a necessary prerequisite for exploiting opportunities.

Business environment risks

EQS Group AG's long-term development is influenced considerably by **basic economic conditions** on domestic and foreign markets. Economic trends, legal conditions and capital market developments play an important role. Brexit has not had any negative effects on EQS Group AG's business to date. Regulation on the financial market in Great Britain is expected to continue to remain comparatively high in general. Due to stabilisation in political and legal development in Russia and Asia, it was possible to downgrade this probability to very low. In contrast, the global COVID-19 pandemic has increased the risks to economic development. At the same time, the pandemic has provided a boost for digitisation in companies, which has led to higher demand for EQS Group AG's digital solutions.

In the area of **legal framework conditions**, the continuous expansion of reporting and compliance obligations (including MAR, MiFID II, ESEF, ARUG II, the EU whistleblower directive) in companies is leading to additional business opportunities for EQS Group AG. As a result, the potential customer base has also increased to include non-listed companies, organisations and public bodies, as well as the portfolio of services offered by EQS Group AG. In the course of the European regulatory initiatives, the product portfolio (including the new COCKPIT, Insider Manager, LEI, XBRL, Integrity Line) was significantly expanded and the leading position in the D-A-CH region was also consolidated through the acquisition of Got Ethics A/S. At the same time, further compliance products are being developed in the form of the Policy Manager and Approval Manager software applications.

The **expansion of the business** to include compliance is also increasing the proportion of revenue that is not dependent on economic cycles.

The **risk of competition**, in particular through lower prices, is a significant risk. Our range of product packages allows us to defend our prices and provide bundled value added for customers. The acquisition of Got Ethics A/S has reduced the risk in the area of whistleblowing. In the future, we see the further expansion of our differentiation from competitors as the key to our success. The probability of loss for EQS Group AG in the area of **market and industry development** is therefore to be assessed as very low. Overall, the environment risks have decreased compared to the previous year as a result of the increased demand for digital solutions and the improvement of the competitive position through the acquisition of Got Ethics A/S.

Group-specific risks

The term group-specific risks includes risks such as growth, product, service, tax and personnel risks. Potential risks arise primarily in the areas of internationalisation, product development and IT security. The analysis of group-specific risk factors during the reporting period resulted in a higher level of risk compared to the previous year. The many **growth activities** within EQS Group AG are continuously checked using market research, business case calculations and extensive discussion between sales, development and management.

EQS Group AG's **internationalisation strategy** is already well advanced. The operational break-even of a new site is expected after approximately five years. Due to the continuous expansion of the locations, the losses from foreign expansion in 2020 have been significantly reduced. Nevertheless, in the course of developing the compliance market, further locations in Europe are planned or have been added as a result of the acquisition.

In the Investor Relations segment, the expansion of business relationships with existing clients as well as the significant acquisition of new clients due to the entry into force of the Market Abuse Regulation (07/2016) confirms our **market position**. At the same time, the turnover is diversified with our customers to a large extent. 95% of our customers represent an under one percent share of the turnover and one single customer's share of the turnover never exceeds five percent of the total turnover.

By **entering the compliance market** and due to further regulations, products are also being offered to non-listed companies as well as public institutions and organisations. The extensive **new development** of products for the **Compliance COCKPIT** leads to a continued high risk assessment in the area of product and performance risks. The probability of loss decreases on the other hand as the development focuses are on standardised cloud software instead of project services for individual customers.

A **continuing need for skilled workers**, fluctuation and the loss of key employees represent a risk situation in the personnel area. The risk probability with regard to the loss of key personnel is to be assessed as lower compared to the previous year's level, as both fluctuation has fallen and employee satisfaction has risen. At the same time, the dependency on the German employment market is decreasing and therefore so is the Group risk due to the continuous development of the technology location in India. **Personnel risks** have therefore fallen slightly.

The revenue growth and extensive investments in new products, business areas and geographic markets **increase** the **complexity of management**. More control structures, for example, fortnightly strategy meetings, quarterly review meetings with the individual companies and comprehensive cost controlling have gradually been introduced to take the increased complexity into account. Overall, there is a structural increase in Group-specific risks and the associated loss amount as a result of the Group's growth. As a result of the sale of the subsidiary ARIVA.DE AG as well as the continued diversification of the business and the expansion of the monitoring and reporting structures, a slight reduction in Group-specific risks was nevertheless achieved.

The result is a higher level of **risk in IT** during the period under review. As a technology company, we place great importance on constantly modernising our IT infrastructure to optimise safety, high availability and speed factors and facilitate efficient work processes. This was underpinned by the renewal of ISO 27001 certification in 2020. Likewise, we are covered by our global cybersecurity insurance against damages from internal or external cyberattacks (coverage amount: €5 million).

Nevertheless, the risk has increased, particularly in the area of data security and intellectual property rights, following the steady rise in the number of attacks on IT infrastructures. For this reason, EQS Group AG is constantly working on new security measures and regularly holds internal training sessions in order to protect our systems even more effectively against external attacks.

Financial risks

Financial risks include investment risks, liquidity risks, credit risks as well as non-payment risks, liability risks and exchange rate risks.

The **investment risks** as well as the profitability risk of investments increased as a result of new investments compared to the previous year. Extensive experience in our operating business or other related business areas and software development geared closely to customer needs help us manage the investment risks though and to keep the probability of loss low. The probability of a **liquidity risk** has decreased due to the increase in equity reserves despite a simultaneous increase in financial liabilities. This means that the probability of a credit and/or solvency risk has decreased compared to the previous year.

Our payment default risk is diversified due to the relatively low turnover per individual customer and the high creditworthiness of listed companies and groups compared to the market. Agreements are also used for advance payment and credit card payments in some areas to minimise the risk. Despite the negative effects on certain sectors as a result of the COVID-19 pandemic, there was no significant deterioration in credit balances here.

The risk potential due to **exchange rate risks** mainly results from the parent company’s balance sheet items in relation to subsidiaries (among others, inter-company loans) and from foreign subsidiaries' start-up losses. Exchange rate risks have decreased due to the significant improvement in the foreign companies' operating performance. In addition, the scope of external foreign currency transactions is limited, as bank loans are denominated exclusively in euros. Similarly, the various currency transactions with CHF, GBP or USD, among others, result in limited mutual hedging.

Other risks

In the case of **organisational and management risk**, there was no substantial change compared to the previous year in the points of documentation, control and monitoring risk, and information and communication management.

Overall risk situation

The **overall risk** for **EQS Group AG** is assessed on the basis of the risk management system. Thanks to the combination of the planning, management and control systems used and the quantification of risk in the form of allocated risk capital and the analysis of risk correlations, a realistic statement can be made about EQS Group AG's overall risk situation and its development.

EQS Group AG's overall risk as of the reporting date, Dec. 31, 2020, has increased slightly compared to the previous year. On the one hand, risks are unavoidable as a result of corporate growth and investments in product development as part of the overall strategy. On the other hand the expansion into new markets in particular and product diversification reduces the dependency on the domestic market and gradually ensures the diversification of risks.

The acquisition of Got Ethics A/S, the surge in digitalisation and the operational progress of the foreign companies have led to a reduction in the external risk. At the same time, the Group-specific risk has increased. More investments in new markets and products increase growth risks. Advancing digitisation and a focus on IT also increases the risks in the area of IT security. The reduction in financial risks as a result of the capital increase has not only led to an increase in the operational scope but also to a reduction in solvency risk.

At this current time, there are also no known risks that individually or in combination with other risks might lead to the permanent impairment of our assets, financial and earnings situation.

» Opportunities report «

In addition to risks, the Group's opportunities arising from its strategy are also regularly assessed. We divide these into the three categories: opportunities from the development of framework conditions, corporate strategy opportunities and performance opportunities.

Opportunities from the development of framework conditions

This opportunity category describes the potential for value growth based on favourable market developments, adjustments to legislation and changes in the regulatory environment or trends in the industry environment and in customer behaviour.

The following opportunities arise in this area for the current financial year:

The trend towards further **increasing regulations in the area of compliance** for companies and organisations is concretised in the **European whistleblower directive** being implemented in **December 2021**. Revenue in the low double-digit millions range are possible from this over the next few years.

The potential for opportunities among **listed companies** also remains high compared with the previous year. The additional revenue resulting from ESEF (XML, XBRL) is €0.5 million to €1 million for 2021.

Corporate strategy opportunities

Corporate strategy opportunities arise from the implementation of overarching Group strategies.

The **expansion of our IR COCKPIT platform** to include more applications offers high potential for additional revenue in the medium term. A significant increase in recurring revenues of around €1.5 million is also expected in 2021, which will continue in subsequent years.

The expansion of the **Compliance COCKPIT** to include additional modules will enable higher average revenue per customer in future. Revenue in the double-digit millions range are possible from this over the next few years.

Performance opportunities

Performance opportunities are closely linked to the Group's business activities. These include efficiency improvements as well as value enhancement potential, where the monetary effect cannot be directly quantified.

These opportunities also include the introduction of **controlling software** to evaluate all existing data on business development, which took place in 2020. It enables detailed analyses and therefore supports corporate management and decision-making.

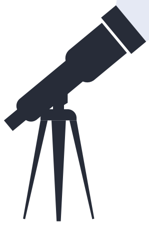
The linking of various departments' ERP systems will continue in 2021. The dovetailing of sales and financial accounting in particular should lead to efficiency gains in 2021 and also further improve the availability of daily updated data.

Munich, March 25, 2021

Achim Weick (Chairman of the Board)	Christian Pfleger (Executive Board)	André Silvério Marques (Executive Board)	Marcus Sultzer (Executive Board)

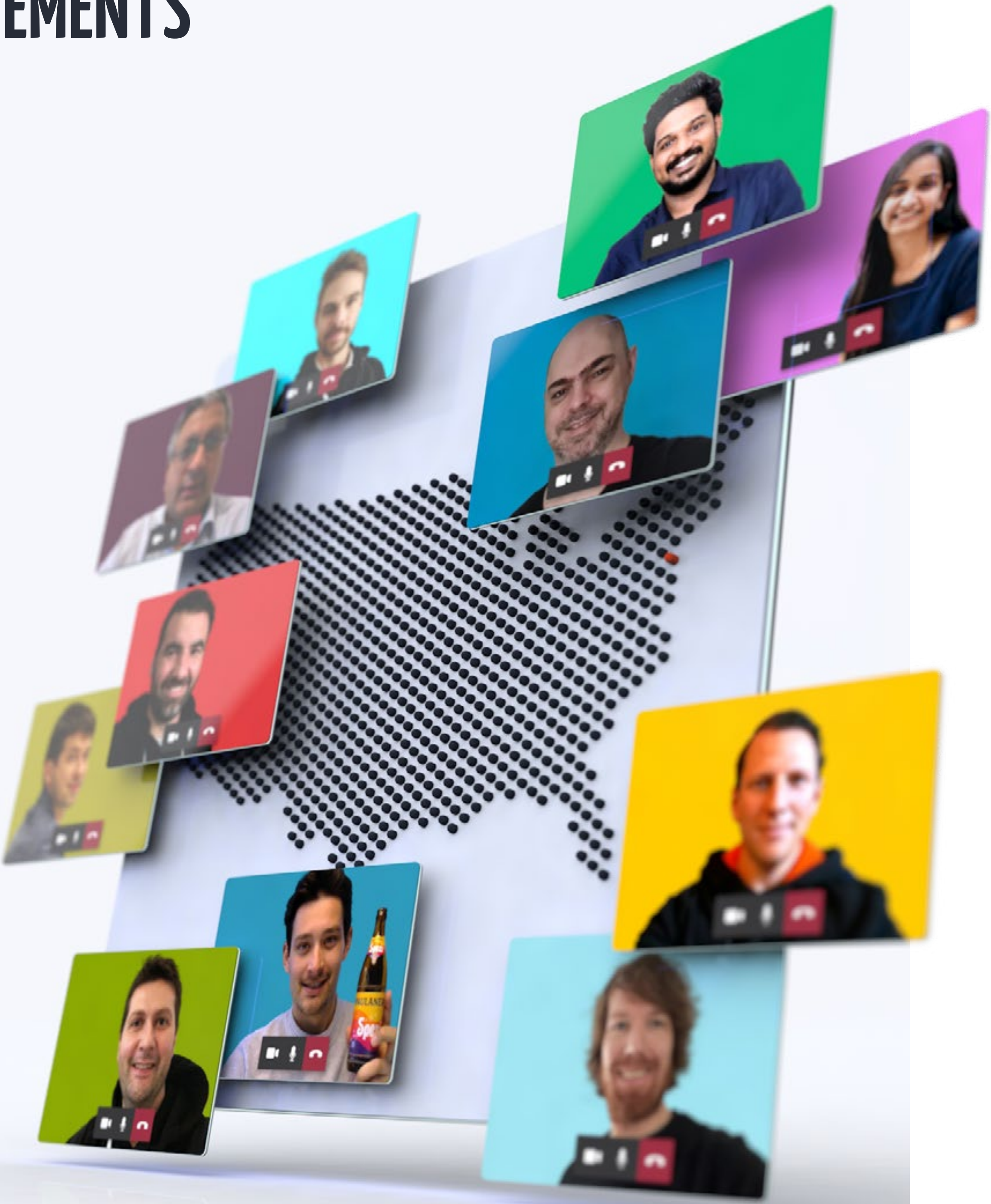
» Our Vision «

EQS Group is the
LEADING
EUROPEAN
CLOUD PROVIDER
FOR CORPORATE COMPLIANCE
& GLOBAL INVESTOR RELATIONS
SOLUTIONS



***EQS Group 2025**

CONSOLIDATED FINANCIAL STATEMENTS



» Consolidated income statement FY 2020 «

	Continuing Operations		*Discontinued Operation*			*Group Total*		
	FY 2020 EUR	*FY 2019 EUR*	***FY 2020 EUR***	*FY 2019 EUR*	*Note*	***FY 2020 EUR***	*FY 2019 EUR*	
Revenues	37,636,047	31,869,490	-	3,497,165	6	37,636,047	35,366,655	
Other income	472,754	415,571	-	62,554	7	472,754	478,125	
Own cost capitalised	1,671,468	2,644,891	-	46,825	8	1,671,468	2,691,716	
Cost of services	-7,264,827	-6,127,311	-	-467,395	9	-7,264,827	-6,594,706	
Personnel expenses	-20,847,457	-19,822,376	-	-2,509,074	10	-20,847,457	-22,331,450	*
Other expenses	-6,907,782	-6,682,744	-	-373,256	12	-6,907,782	-7,056,001	
EBITDA	**4,760,203**	**2,297,521**	**-**	**256,818**		**4,760,203**	**2,554,339**	*
Depreciation & amortisation	-4,597,136	-5,162,438	-	-567,473	11|22	-4,597,136	-5,729,911	
Operating result (EBIT)	**163,067**	**-2,864,917**	**-**	**-310,655**		**163,067**	**-3,175,572**	*
Interest income	108,780	65,867	-	13,305	13	108,780	79,172	
Interest expenses	-298,908	-324,336	-	-26,478	14|22	-298,908	-350,814	*
Other financial income	0	2,722,691	-	0	15	0	2,722,691	
Other financial expenses	-205,670	-358,026	-	-381	16	-205,670	-358,407	
Profit before tax (EBT)	-232,732	-758,721	-	-324,209		-232,732	-1,082,931	*
Income taxes	-599,226	-615,013	-	4,835	17	-599,226	-610,178	*
Group net income	**-831,958**	**-1,373,734**	**-**	**-319,374**		**-831,958**	**-1,693,109**	*
- thereof attributable to the owner of the company	-866,189	-1,335,077	-	-237,078		-866,189	-1,572,154	*
- thereof attributable to non-controlling interests	34,231	-38,657	-	-82,297		34,231	-120,954	
Items that may be reclassified subsequently to profit or loss:								
Currency translations	-215,691	-9,710	-	0	32	-215,691	-9,710	*
Revaluation IAS 19	-208,636	89,490	-	0	2.7	-208,636	89,490	*
Other comprehensive income	-424,326	79,780	-	0		-424,326	79,780	*
Comprehensive income	-1,256,284	-1,293,954	-	-319,374		-1,256,284	-1,613,328	*
- thereof attributable to the owner of the company	-1,290,425	-1,255,291	-	-237,077		-1,290,424	-1,492,368	*
- thereof attributable to non-controlling interests	34,140	-38,663	-	-82,297		34,140	-120,960	*
Earnings per share - basis and diluted	-0.12	-0.19	-	-0.03	18	-0.12	-0.22	*

*Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes

» Consolidated balance sheet as of December 31, 2020 «

Assets

	Notes	Dec. 31, 2020 EUR	Dec. 31, 2019 EUR	Jan. 1, 2019 EUR
Non-current assets				
Intangible assets	20	**14,118,018**	14,252,788	16,673,777
Goodwill	20	**16,898,283**	17,755,693	20,619,383
Tangible assets	21|22	**7,215,884**	8,837,621	2,241,024
Long-term financial assets	23	**732,863**	2,721,018	1,350,005
Other long-term assets	24	**481,683**	274,115	334,500
		39,446,730	43,841,236	41,218,689
Current assets				
Trade accounts receivables	25	**3,923,150**	3,764,878	4,921,752
Construction contracts	26	**25,864**	75,975	108,722
Tax assets	17	**31,817**	48,559	62,031
Current financial assets	23	**138,363**	271,967	245,110
Other current assets	24	**892,586**	748,699	604,738
Cash and cash equivalents	27	**12,074,462**	1,183,641	1,307,718
		17,086,241	6,093,718	7,250,070
Total assets		**56,532,971**	**49,934,954**	**48,468,759**

Equity and Liabilites

	Note	Dec. 31, 2020 EUR	Dec. 31, 2019 EUR	Jan. 1, 2019 EUR
Equity				
Issued capital	28	**7,524,890**	1,434,978	1,434,978
Treasury shares	28	**-7,361**	-1,850	0
Capital surplus	29|30	**20,667,300**	17,898,837 *	17,955,328
Retained earnings	31	**4,706,320**	5,610,583 *	7,394,110 *
Currency translation	32	**53,083**	268,774 *	278,484 *
Non-controlling interests	33	**12**	-34,174 *	419,688
		32,944,243	25,177,148 *	27,482,589 *
Non-current liabilities				
Non-current provisions	34	**1,050,881**	635,259 *	706,882 *
Non-current financial liabilities	35	**7,641,043**	7,480,865	3,475,101
Other current liabilities		**0**	0	212,077
Deferred tax liabilities	17	**2,516,219**	2,078,558 *	2,265,796 *
		11,208,143	10,194,682 *	6,659,856 *
Current liabilities				
Current provisions	34	**1,990,433**	1,181,564 *	1,888,727 *
Trade account payable	36	**1,650,656**	1,847,855	1,471,988
Liabilities from percentage-of-completion	37	**109,300**	0	0
Current financial liabilities	35	**3,275,962**	7,173,134	6,960,746
Income tax liabilities	17	**55,947**	45,657	129,491
Other current liabilities	38	**5,298,287**	4,314,914 *	3,875,362 *
		12,380,586	14,563,123 *	14,326,314 *
Total equity and liabilities		**56,532,971**	**49,934,954 ***	**48,468,759 ***

* Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes

» Consolidated Cash flow statement FY 2020 «

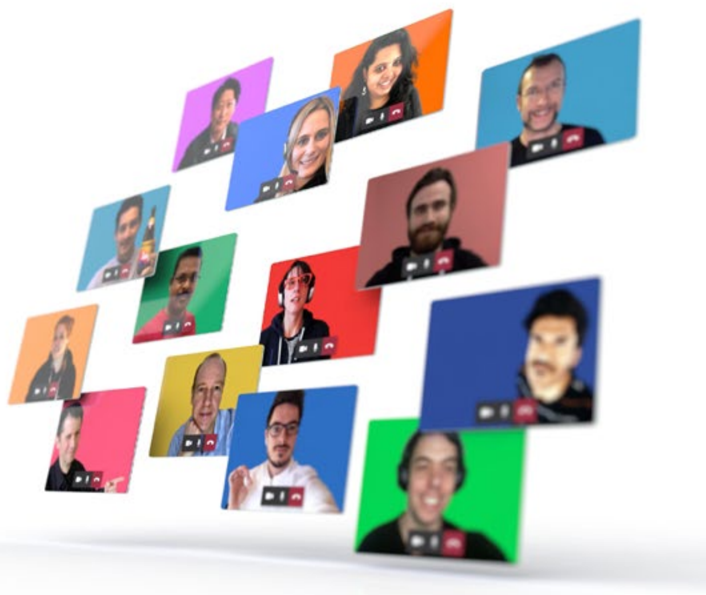
		FY 2020 EUR '000	FY 2019 EUR '000
	Group earnings	**-832**	-1,693 *
+	Income taxes	**599**	610 *
+	Interest expenses	**299**	351 *
-	Interest income	**-109**	-80
+/-	Loss/profit on disposals of property, plant and equipment	**1**	-1
-	Profit from the disposal of consolidated companies	**0**	-2,267
+/-	Other non-cash expenses/income	**2,111**	-816 *
+	Depreciation on fixed assets	**4,597**	5,730
-	Change in provisions	**-758**	-730 *
-	Increase of inventories, trade accounts receivables and other assets not attributable to investment or financing activities	**-1,065**	-467
+	Increase of trade payables and other liabilities not attributable to investment or financing activities	**1,254**	2,212 *
-	Interest expenses paid	**-260**	-323
+	Interest income paid	**103**	59
-	Income tax paid	**-154**	-188
=	Operating Cash flow	**5,786**	2,397
	thereof attributable to discontinued operation	**-**	275
-	Purchase of property, plant and equipment	**-325**	-387
+	Proceeds from disposals of property, plant and equipment	**0**	1
-	Purchase of intangible assets	**-1,682**	-2,734
+	Proceeds from disposals of financial assets	**389**	26
-	Payments from additions of financial assets	**-326**	0
+	Proceeds from deconsolidated companies	**2,246**	4,888
-	Payments from conditional purchase price liabilities	**0**	-2,162
=	Cash flow from investment activities	**302**	-368
	thereof attributable to discontinued operation	**-**	-133
-	Cash payments to owners and minority shareholders (dividends, acquisition of entity's shares, redemption of shares, other distributions)	**-210**	-283
+	Proceeds from additions to equity (capital increases, sale of treasury shares)	**9,124**	0
+	Cash proceeds from issuing bonds/loans and short or long-term borrowings	**2,143**	5,958
-	Cash repayments of bonds/loans or short or long-term borrowings	**-4,369**	-5,893
+	Proceeds from grants received	**80**	0
-	Decrease of liabilities from finance-lease	**-1,766**	-1,989
=	Cash flow from financing activities	**5,002**	-2,207
	thereof attributable to discontinued operation	**-**	-141
=	Change in cash funds from cash relevant transactions	**11,090**	-178
+	Cash funds at the beginning of period	**1,183**	1,308
-/+	Change in cash funds from exchange rate movements	**-199**	53
=	**Cash funds at the end of period**	**12,074**	**1,183**

* Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes

» Consolidated statement of changes in equity FY 2020 «

	Issued capital EUR '000	Treasury shares EUR '000	Capital surplus EUR '000	Retained earnings EUR '000	Currency trans-lations EUR '000	Attributable to owners of the parent EUR '000	Non-controlling interests EUR '000	Total equity EUR '000
As of Dec. 31, 2018 (as originally presented)	**1,435**	**0**	**17,955**	**8,037**	**279**	**27,706**	**419**	**28,125**
Adjustment IAS 8 (after tax)	0	0	0	-643	0	-643	0	-643
As of Dec. 31, 2018 (retroactively adjusted)	**1,435**	**0**	**17,955**	**7,394**	**279**	**27,063**	**419**	**27,482 ***
Change of treasury shares	0	-2	-272	0	0	-274	0	-274
Share-based payment for employees	0	0	126	0	0	126	0	126
Deconsolidation subsidiary ARIVA.DE AG	0	0	0	-212	0	-212	-333	-545
Comprehensive income 2019	0	0	0	-1,572	0	-1,572	-121	-1,693 *
Other comprehensive income 2019	0	0	90	0	-10	80	0	80 *
As of Dec. 31, 2019	**1,435**	**-2**	**17,899**	**5,610**	**269**	**25,211**	**-35**	**25,176 ***
Capital increase	6,090	0	3,010	-14	0	9,086	0	9,086
Change of treasury shares	0	-5	-165	0	0	-170	0	-170
Share-based payment for employees	0	0	132	0	0	132	0	132
Adjustment profit carried forward previous year subsidiarys	0	0	0	-24	0	-24	0	-24
Comprehensive income 2020	0	0	0	-866	0	-866	35	-831
Other comprehensive income 2020	0	0	-209	0	-216	-425	0	-425
As of Dec. 31, 2020	**7,525**	**-7**	**20,667**	**4,706**	**53**	**32,944**	**0**	**32,944**

* Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes



» Consolidated Notes of EQS Group AG for the Financial Year 2020 «

» 1. General Information «

EQS Group AG ("Parent") was established by notarised agreement (RoD no. 409/200 of Notary Dr. Oliver Vossius, Munich) dated Feb. 3, 2000. It is based in Karlstraße 47, 80333 Munich, Germany, and has been entered in the commercial register of the Munich Local Court under HRB 131048. The consolidated financial statement comprises the parent and its subsidiaries (jointly "Group" and individually "Group companies"). The Group is an international provider of regulatory technologies (RegTech) in the areas of corporate compliance and investor relations. Further information is provided in the segment information (Note 5)

The consolidated financial statement was compiled in line with the International Financial Reporting Standards (IFRS), as to be applied in the European Union, and the regulations under commercial law to be complementarily applied under Section 315e (1) German Commercial Code.

The financial year of EQS Group AG and its consolidated subsidiaries is the calendar year. Functional currency of the parent and reporting currency of the consolidated financial statement is the Euro. Unless stated otherwise, figures are rounded to thousands of euros. Rounding differences may occur in percentages and figures in this report.

» 2. Significant accounting and valuation methods «

2.1 Basics for the Compilation of the Financial Statement

The consolidated financial statement was compiled based on the historical acquisition and manufacturing costs. This does not include specific financial instruments applied at fair value on the balance sheet date.

Historical acquisition or manufacturing costs are generally based on the fair value of the consideration paid in return for the asset.

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. This applies irrespective of whether the price is directly observable or had been estimated in application of a measurement method.

When determining the fair value of an asset or a liability, the Group takes account of specific characteristics of the asset or liability (e.g. condition and location or sales or usage restrictions) if market participants would take account of such characteristics when determining the price for the acquisition of the relevant asset or transfer of the liability as of the measurement date as well. In this consolidated financial statement, the fair value for the measurement and/or disclosure purposes is basically determined on this basis.

This does not apply to:

a) share-based payments within the scope of IFRS 2,

b) rental income from operating leases within the scope of IFRS 16 and

c) measurement standards resembling, but not corresponding to the fair value, e.g. the value in use in IAS 36.

The fair value is not always available as market price. It must often be determined based on different measurement parameters. Depending on the availability of observable parameters and the significance of such parameters for determining the fair value as a whole, the fair value is allocated to the levels 1, 2 or 3. This division is subject to the following proviso:

» Level 1 input parameters are quoted (unadjusted) prices in active markets for identical assets or liabilities that the company can access at the measurement date.

» Level 2 inputs are input parameters other than quoted market prices included within level 1 that are either directly observable for the asset or liability or indirectly derivable from other prices.

» Level 3 input parameters are unobservable parameters for the asset or liability.

2.2 Amendment to Accounting Policies - Amended Standards and Interpretations

In the current financial year, the entity initially applied the following new or amended standards and interpretations. The Management Board assumes that the changes will have no significant effects.

IASB and IFRS IC Documents	Date of endorsement	EU effective date	Short description
Amendments to References to the Conceptual Frame-work in IFRS Standards	Nov. 29, 2019	Jan. 1, 2020	Revision of references as a result of the revision of the framework concept
Amendments to IAS 1 and IAS 8: Definition of Material	Nov. 29, 2019	Jan. 1, 2020	Clarifications on the definition of materiality
Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform– Phase 1	Jan. 16, 2020	Jan. 1, 2020	Balance sheet hedging relationships can still be designated despite the replacement of the reference interest rates
Amendments to IFRS 3 Bu-siness Combinations	Apr. 21, 2020	Jan. 1, 2020	The addition in IFRS 3 clarifies that a business comprises a group of activities and assets that involve at least one input and one substantial process that together contribute significantly to the ability to produce output. By means of a so-called concentration test, the test for the existence of a business can be shortened according to the general criteria
Amendment to IFRS 16 Leases COVID-19 Related Rent Concessions	Oct. 9, 2020	Jun. 1, 2020	Temporary relief for the accounting recog-nition of COVID-19 related rent concessions

2.3 New Standards and Interpretations not yet to be mandatorily applied

The new or amended standards or interpretations below have already been adopted by the IASB, but have not yet come into mandatory effect. The entity has not applied the rules prematurely. The Management Board does not expect the changes to have a material impact on the Group's results.

IASB and IFRS IC Documents	Date of endorsement	EU effective date	Short description
Amendments to IFRS 4 Insurance Contracts: deferral of IFRS 9	Dec. 15, 2020	Jan. 1, 2021	Extension of the temporary exemption from the application of IFRS 9, so that the application of IAS 39 remains permissible for the affected insurance companies for financial years beginning before Jan. 1, 2023.
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: interest Rate Benchmark Re-form –Phase 2	Jan. 13, 2021	Jan. 1, 2021	Issues relating to financial reporting at the time of replacement of an existing reference interest rate by an alternative interest rate
Annual Improvements, Cycle 2018-2020	**	Jan. 1, 2022	Individual amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41
Amendments to IFRS 3, IAS 16, IAS 37	**	Jan. 1, 2022	Narrow scope amendments - IFRS 3: Updating of crossreferences in IFRS 3, introduction of an exception to the recognition requirements in IFRS 3, inclusion of an explicit prohibition in the standard text for the recognition of contingent assets - IAS 16: Recognition of revenue from sales during the construction phase of an item of property, plant and equipment - IAS 37: Determination of the "cost of fulfilling the contract"
Amendments to IFRS 17 Insurance Contracts	**	Jan. 1, 2023	Deferral of the date of first-time application of IFRS 17 to financial years beginning on or after Jan. 1, 2023
IFRS 17 Insurance Contracts	**	Jan. 1, 2023	Own IFRS-specific conceptual basis for insurance contracts
Amendments to IAS 1 Presentation of Finan-cial Statements: classi-fication of Liabilities as Current or Non-current	**	Jan. 1, 2023	Clarification of previous law: A liability is classified as current if there is no unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date. If the entity expects and has the right to require that an obligation under an existing loan agreement be refinanced or extended for at least twelve months after the reporting date, the obligation is non-current even if it would otherwise be due within a shorter period

**The IASB has published a draft that proposes a postponement of the date of first-time application to Jan. 1, 2023.*

***An EU endorsement is still pending.*

2.4 Change in previous year's figures according to IAS 8 - error correction

In EQS Group AG, deferred tax assets on tax loss carryforwards were overstated in 2018 and 2019 due to a methodological calculation error.

The situation represents an error pursuant to IAS 8.41 et seq. which was corrected retrospectively beginning to Jan. 1, 2019.

In France and India, there are pension obligations that are to be classified as defined benefit plans according to IAS 19 and measured using actuarial methods.

Since the Group previously measured these pension obligations as defined contribution plans and reported them under other current liabilities, this is also an error in accordance with IAS 8.41 et seq. which was corrected retrospectively to Jan. 1, 2019.

The following items in the financial statements as at Dec. 31, 2019 are affected by the correction:

As of Dec. 31, 2019	*Before adjustments EUR*	*Errors - IAS 8 EUR*	*After adjustments EUR*
Consolidated Balance Sheet			
Capital surplus	17,904,382	-5,545	17,898,837
Retained earnings	6,534,411	-923,828	5,610,583
Currency translation	269,177	-403	268,774
Non-controlling interests	-34,168	-6	-34,174
Non-current provisions	590,500	44,759	635,259
Deferred tax liabilities	1,166,286	912,272	2,078,558
Current provisions	1,180,513	1,051	1,181,564
Other liabilities	4,343,214	-28,300	4,314,914
Consolidated income statement			
Personnel expenses	-22,340,006	8,556	-22,331,450
EBITDA	2,545,783	8,556	2,554,339
Operating result (EBIT)	-3,184,128	8,556	-3,175,572
Interest expenses	-349,287	-1,527	-350,814
Profit before tax (EBT)	-1,089,960	7,029	-1,082,931
Income taxes	-321,869	-288,309	-610,178
Group net income	-1,411,829	-281,280	-1,693,109
-thereof attributable to the owner of the company	-1,290,874	-281,280	-1,572,154
Currency translations	-9,557	-153	-9,710
Revaluation IAS 19	95,130	-5,640	89,490
Other comprehensive income	85,573	-5,793	79,780
Comprehensive income	-1,326,256	-287,072	-1,613,328
-thereof attributable to the owner of the company	-1,205,300	-287,068	-1,492,368
-thereof attributable to non-controlling interests	-120,956	-4	-120,960
Earnings per share (after Share Split)	-0.18	-0.04	-0.22
Consolidated statement of changes in equity	*EUR '000*	*EUR '000*	*EUR '000*
Capital surplus	17,904	-5	17,899
Retained earnings	6,534	-924	5,610
Attributable to owners of the parent	26,140	-929	25,211
Non-controlling interests	-34	-1	-35
Total equity	26,106	-930	25,176
Consolidated Cash flow statement	*EUR '000*	*EUR '000*	*EUR '000*
Group earnings	-1,412	-281	-1,693
Income taxes	322	288	610
Interest expenses	349	2	351
Other non-cash income	-853	37	-816
Change in provisions	-712	-18	-730
Increase of trade payables and other liabilities	2,240	-28	2,212

2.5 Consolidation

2.5.1 Consolidated Companies

The consolidated financial statements include the financial statements of the parent and the subsidiaries it controls. Control exists when EQS Group AG

» can exercise power of control over the investee,

» is exposed to variable returns from its investment and

» has the ability to affect those returns through its power of control.

The entity reassesses whether or not it controls an investee where facts or circumstances indicate that one or several of the three control criteria referred to above has/have changed.

The subsidiary will be included in the consolidated financial statement from the date on which the parent gains control over a subsidiary until the date on which the control by the entity ends. In this context, the results of the subsidiaries acquired or sold during the year are recorded accordingly in the consolidated statement of comprehensive income from the actual acquisition date or up to the actual disposal date.

The profit or loss and any component of the other comprehensive income must be assigned to the shareholders of the parent and to the non-controlling shareholders. This applies even if this results in the non-controlling shareholders showing a negative balance. Where necessary, the subsidiaries' annual financial statements are adapted to align the accounting policies with the policies applied in the Group.

Any and all Group-internal assets, liabilities, equity, income, expenses and cash flows in connection with transactions between Group companies are fully eliminated as part of the consolidation.

Changes in the parent's ownership interest in subsidiaries that do not result in the parent losing control of the subsidiary are accounted for as equity transaction. The carrying amounts of the interests held by the parent and of the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recorded directly in equity and attributed to the parent's shareholders.

In addition to the EQS Group AG as parent company, the scope of consolidation includes the following companies as at the respective reporting date.

Number of fully consolidated subsidiaries	***Dec. 31, 2020***	*Dec. 31, 2019*
Domestic	**1**	1
Abroad	**7**	7

The list of shareholdings in accordance with Section 313 (2) of the German Commercial Code is shown in Note 42. With regard to non-controlling interests, please refer to Note 33. The changes in the scope of consolidation are shown below.

Changes in the scope of consolidation

Current year

None

Previous year

ARIVA.DE AG, in which a 91.843% stake was held, was sold with effect from Jul. 1, 2019.

By notarial deed dated Jan. 17, 2019, EQS Blockchain Media GmbH was founded as a second-tier subsidiary of EQS Group AG. The indirect interest via EQS Financial Markets & Media GmbH amounts to 87.5%.

Loss of control

If the entity loses control of a subsidiary, the deconsolidation profit or loss is recorded through profit or loss. It is determined from the difference between

» the total amount of the fair value of the consideration received and the fair value of the interests retained and

» the carrying amount of the assets (including goodwill), and the

» subsidiary's liabilities and all non-controlling interests.

All amounts disclosed in the other comprehensive income in connection with this subsidiary are accounted for as this would be the case if the assets were sold, i.e. reclassified into the consolidated statement of comprehensive income or directly transferred into the retained earnings.

Where the entity retains interests in the previous subsidiary, they are recognised at the fair value established as of the date of the loss of control. This value represents the acquisition cost of the interests which, depending on the level of control, are subsequently measured pursuant to IFRS 9 or under the regulations for associates or joint ventures.

Acquisition of Subsidiaries

The acquisition of businesses is accounted for using the acquisition method. The consideration transferred in case of a business combination is measured at the fair value which is determined by the total of the fair values of the transferred assets valid at the acquisition date, the liabilities assumed from the previous owners of the acquired company and the equity instruments emitted by the parent in exchange for the control of the acquired company. Transaction cost associated with the business combination are recorded through profit or loss at accrual.

The acquired identifiable assets and assumed liabilities are measured at their fair values. In this context, the following exceptions apply:

» Deferred tax assets or liabilities and assets or liabilities in connection with agreements for employee benefits are recognised and measured pursuant to IAS 12 or IAS 19.

» Liabilities or equity instruments relating to share-based payments or to the replacement of share-based payments by the parent are measured as of the acquisition date pursuant to IFRS 2.

» Assets classified as 'held for sale' pursuant to IFRS 5 are measured pursuant to this IFRS.

Goodwill results as excess of the total from the transferred consideration, the amount of all non-controlling interests in the acquired company and the fair value of the equity interest previously held by the acquirer in the acquired company over the fair values of the acquired identifiable assets and assumed liabilities determined as of the acquisition date. In the event that the resulting difference is negative, it is directly recorded as income through profit or loss.

Interests in non-controlling shareholders currently conveying ownership rights and granting the holder the right, in case of the liquidation, to acquire a proportional interest in the company's net assets are measured upon receipt either at the fair value or at the corresponding interest of the identifiable net assets. This option can be newly exercised at each business combination. Other components of interests of non-controlling shareholders are measured at their fair values or the benchmarks resulting from other standards.

If the transferred consideration includes a contingent consideration, the latter is measured at the fair value applicable acquisition date. Changes in the fair value of the contingent consideration within the measurement period are corrected retroactively and posted accordingly against goodwill. Corrections during the measurement period are adaptations to reflect additional information about facts and circumstances existing as of the acquisition date. However, the measurement period must not exceed one year from the acquisition date.

Accounting for any changes in the fair value of the contingent consideration that do not depict corrections during the measurement period is made depending on how the contingent consideration is to be classified. If the contingent consideration is equity, no subsequent measurement is effected on subsequent dates of financial statements; its fulfillment if accounted for in equity. A contingent consideration that represents an asset or liability is measured at fair value at subsequent reporting dates and any resulting gain or loss is recognised in the consolidated statement of comprehensive income.

2.5.2 Foreign Currency

When compiling the financial statements of each individual Group company, transactions denominated in currencies other than the Group company's functional currency (foreign currency) are translated at the rates applicable on the transaction day. On each date of financial statements, foreign currency monetary items are translated using the applicable closing rate. Foreign currency non-monetary items carried at fair value are translated at the rates applicable when the fair value was determined. Non-monetary items carried at acquisition or manufacturing cost are translated using the exchange rate at the date of initial balance sheet recording.

Exchange differences from monetary items are recorded through profit or loss in the period of their accrual. This does not apply to:

- exchange differences from borrowings denominated in foreign currency accruing in the creation process of assets intended for productive use that are allocated to the manufacturing cost if they depict adaptations of the interest expense from such borrowings denominated in foreign currency;

- exchange differences from transactions entered to hedge specific foreign currency risks;

- exchange differences from monetary items to be received from or paid to a foreign business the fulfillment of which is neither scheduled nor likely and which are thus part of the net investment in such foreign business that are initially recorded in the other comprehensive income and transfer posted from equity into consolidated statement of comprehensive income upon sale.

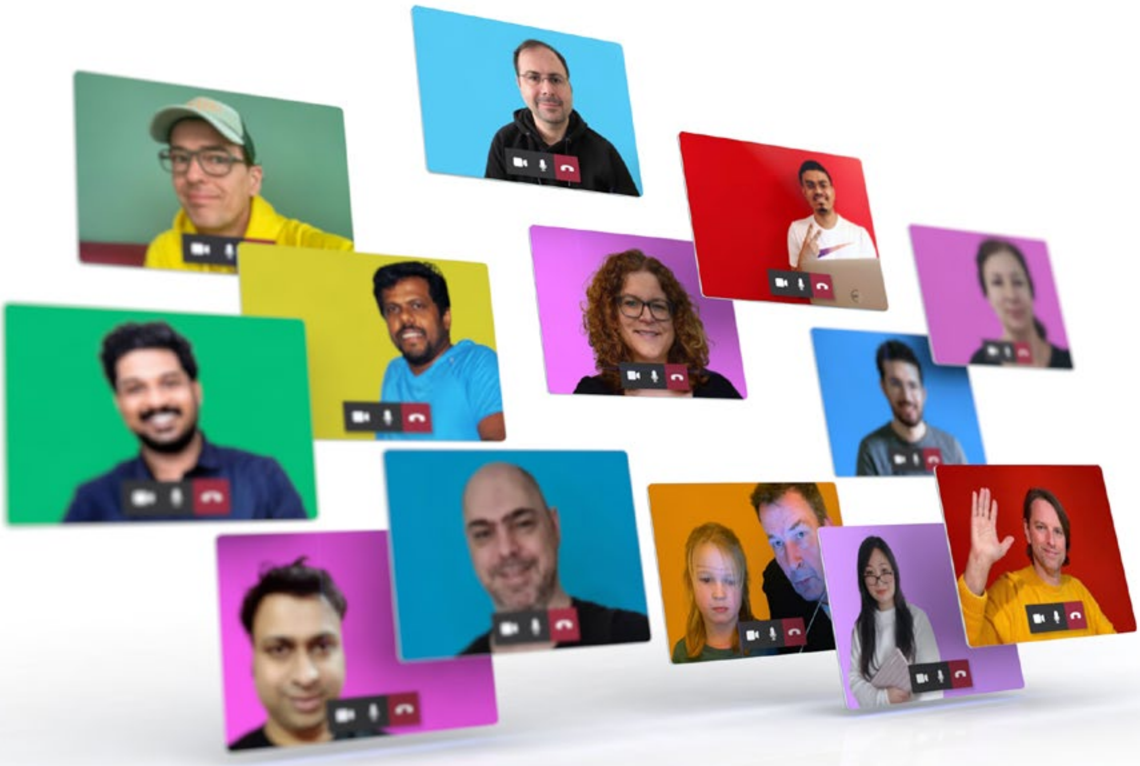
To compile the consolidated financial statement, the assets and liabilities of the Group's foreign businesses are translated into euros using the exchange rates applicable on the date of the financial statement, except for the equity, which is translated using historical rates. Income and expenses are translated at the average rate of the period, unless the exchange rates were subject to strong fluctuations during the period. In this case, the exchange rates as of the transaction date are applied. Exchange differences from the translation of foreign businesses into the Group's currency are recorded in the other comprehensive income and accumulated in equity.

Any goodwill resulting from the acquisition of a foreign business, as well as adaptations to the fair values of the identifiable assets and liabilities are treated as assets or liabilities of the foreign business and translated at the closing rate. Resulting exchange differences are recorded in the reserve from the currency translation.

The exchange rates underlying the currency translation are as follows:

	EUR/RUB	*EUR/HKD*	*EUR/CHF*	*EUR/INR*	*EUR/GBP*	*EUR/USD*
Exchange rate as of Dec. 31, 2020	91.47	9.51	1.08	89.66	0.90	1.23
Exchange rate as of Dec. 31, 2019	69.96	8.75	1.09	80.19	0.85	1.23
Average exchange rate 2020	82.65	8.85	1.07	84.58	0.89	1.14
Average exchange rate 2019	72.46	8.77	1.11	78.84	0.88	1.12

Exchange differences from the translation of the functional currency of foreign businesses into the Group's reporting currency (euro) are recorded in the consolidated financial statement directly in the other comprehensive income and accumulated in the reserve from foreign currency translation. Exchange differences previously recorded in the reserve from foreign currency translation are transferred to the statement of comprehensive income where the foreign business is sold in whole or in part.



2.6 Revenue from Contracts with Customers

The turnover is quantified based on the consideration determined in a contract with a customer. The Group records revenue when transferring the control of the good or service to a customer.

2.6.1 Contract Manufacturing of IR- and Compliance Applications

In the contract manufacturing of IR- and Compliance applications, an asset is created without alternative use and a payment claim exists for services already rendered. For such contracts, IR- and Compliance applications are manufactured according to customer specifications, and when a contract is terminated by the customer, the Group is entitled to reimbursement of the costs incurred so far, including a reasonable margin. Revenue and associated costs are recorded over a specific period. The progress of performance is determined based on the cost-to-cost method.

2.6.2 IR- and Compliance-Applications

Performance obligations from a licence granting a customer the right of access to intellectual property are fulfilled over a specific period, since the benefit from the Group's service accrues to the customer, who uses the service while it is rendered. For such contracts, the Group provides applications to the customer's benefit. The Group records the revenue from IR and Compliance applications over a given period.

2.6.3 Licences

For the licences granted by the Group, the customer acquires the power of disposition of the intellectual property at the beginning of the period for which a right of use of the intellectual property was granted to the customer. Accordingly, the Group records revenue as of the date on which the power of disposition passes to the customer.

2.6.4 Other Services

For its other performance obligations, the Group analysis whether the benefit from the Group's service accrues to the customer and that the customer concurrently uses the service while it is rendered. Where this criterion is met, the Group records relevant revenue over a given period. Otherwise, the Group determines the date, on which the power of disposal passed to the customer, and records the revenue from the contract with the customer on such date.

2.6.5 Dividends and Interest Income

Dividend income from shares is recorded once the entity's legal entitlement to payment has arisen. This is subject to the condition of it being likely that the economic benefit will accrue to the Group and the amount of income can be reliably determined.

Interest income is recorded where it is likely that the economic benefit will accrue to the Group and the amount of income can be reliably determined. Interest income is deferred in accordance with the outstanding nominal amount using the relevant effective interest rate. The effective interest rate is the interest rate that is used to exactly discount the expected future deposits over the term of the financial asset on the net carrying amount of the asset upon initial recording.

2.6.6 Rental income from operating leases

The Group's accounting policies for the recognition of rental income from activities as a lessor are described in Note 22.

2.7 Obligations from employee benefits

The Group has defined benefit pension plans in Switzerland, India and France, and defined contribution plans in Germany and the USA.

2.7.1 Defined benefit pension plans

Switzerland

The amount of the benefits depends on the length of employment and salary of the beneficiaries in the years before retirement and guarantees them life-long pension payments. Retirement age is 65 for men and 64 for women; early retirement is possible from the age of 58. The insured salary is 100% of the basic salary, reduced by the coordination deduction under the Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision. However, at least 100% of the minimum insured salary and limited to the maximum insurable salary according to the Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision.

The defined benefit plans are managed by a single fund which is legally independent of the Group. The Board of Directors of the pension fund must act in the interests of the fund and its relevant beneficiaries, i.e. active employees, inactive employees, pensioners and employers, in accordance with the law and its statutes. The Board of Directors is responsible for determining the investment policy for the fund's assets.

These defined benefit plans expose the Group to actuarial risks such as longevity risk, currency risk, interest rate risk and market (investment) risk.

India

The plan provides a lump sum benefit in case of death, disability, resignation or retirement based on the final salary at the time of leaving. The benefits of the plan amount to 15/26 times the final salary at the time of leaving the company with a cap of approximately €25k per employee.

France

The plan provides for a lump-sum payment upon retirement, provided the employee has already acquired the entitlement and is employed by the Group at the time of retirement.

The Group does not expect the defined benefit pension plans in India and France to have a material impact on the financial position, financial performance and cash flows, which is why the valuation parameters and sensitivities of these two entities are not presented.

Funding

The funding requirements are based on the actuarial valuation framework of the fund, which is laid down in the funding guidelines of the plan. Employees and employers each pay half of the total contributions.

The Group expects contributions of CHF63k to be paid into the defined benefit plans in 2021.

Balance sheet amounts

The following table shows the reconciliation of the opening balance to the closing balance for the net liability (net asset) from defined benefit plans and their components.

Change in net debt from defined contribution plans	*Performance-oriented commitment*		*Fair Value of plan assets*		*Net debt from defined contribution plans*		
EUR	***Dec. 31, 2020***	***Dec. 31, 2019***	***Dec. 31, 2020***	***Dec. 31, 2019***	***Dec. 31, 2020***	***Dec. 31, 2019***	
Balance as of Jan. 1	**480,809.92**	**544,519.52**	**-249,930.90**	**-299,139.23**	**230,879.02**	**245,380.29**	*
Recognised in Profit or Loss							
Current service costs	157,005.30	145,393.01	0.00	0.00	157,005.30	145,393.01	*
Past service costs	0.00	-11,957.72	0.00	0.00	0.00	-11,957.72	*
Interest expenses (interest income)	3,196.92	4,494.48	-589.44	-1,940.85	2,607.47	2,553.63	*
	160,202.22	**137,929.77**	**-589.44**	**-1,940.85**	**159,612.78**	**135,988.92**	*
Recognised in other comprehensive income							
Loss (Profit) from revaluation	0.00	0.00	0.00	-18,487.06	0.00	-18,487.06	
Actuarial loss (profit) from:							
- demographic acceptance	1,589.94	0.00	0.00	0.00	1,589.94	0.00	
- financial acceptance	12,945.78	37,650.81	0.00	0.00	12,945.78	37,650.81	*
- experience adjustments	115,590.01	-116,255.55	0.00	0.00	115,590.01	-116,255.55	*
- Income on plan assest without interest income	0.00	0.00	-5,298.46	0.00	-5,298.46	0.00	*
Net exchange differences	-10,903.89	16,974.36	506.98	-9,965.53	-10,396.91	7,008.83	*
	119,221.84	**-61,630.38**	**-4,791.48**	**-28,452.59**	**114,430.35**	**-90,082.97**	*
Others							
Pension contributions paid by the employer	77,755.25	-193,137.36	-124,192.43	132,731.03	-46,437.18	-60,406.33	*
Pension contributions paid by the employee	60,360.58	53,128.37	-60,360.58	-53,129.27	0.00	-0.90	
Balance as of Dec. 31	**898,349.81**	**480,809.92**	**-439,864.84**	**-249,930.90**	**458,484.97**	**230,879.02**	*

* Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes

Total

	Dec. 31, 2020				*Dec. 31, 2019*				
EUR	*Switzerland*	*France*	*India*	***Total***	*Switzerland*	*France*	*India*	***Total***	
Cash value of the obligations	821,772.82	9,227.00	67,349.99	**898,349.81**	435,000.00	10,437.00	35,372.92	**480,809.92**	*
Fair Value of plan assets	-439,864.84	0.00	0.00	**-439,864.84**	-249,930.90	0.00	0.00	**-249,930.90**	
Total liabilities	**381,907.98**	**9,227.00**	**67,349.99**	**458,484.97**	**185,069.10**	**10,437.00**	**35,372.92**	**230,879.02**	*

* Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes

Plan assets

The plan assets at EQS Group AG (Switzerland) comprise:

Plan assets	***Dec. 31, 2020***	*Dec. 31, 2019*
Shares	30.8%	***29.6%***
Obligations	33.0%	***34.1%***
Real estate	13.7%	***13.4%***
Mortgages	7.6%	***6.0%***
Alternative investments	14.8%	***16.3%***
Others	0.6%	***0.1%***
Liquid funds	-0.4%	***0.5%***

Defined benefit obligation

The principal actuarial assumptions (in the form of weighted averages in percent) used as of the balance sheet date are specified below.

	Dec. 31, 2020			*Dec. 31, 2019*		
	Switzerland	**France**	**India**	Switzerland	France	India
Discount factor	**0.25%**	**0.60%**	**5.47%**	0.20%	1.31%	6.95%
Inflation rate	**0.70%**	**-**	**-**	0.80%	-	-
Future growth rates of salary	**1.60%**	**1.00%**	**8.50%**	1.60%	1.00%	5.00%
Future growth rates of pensions	**0.00%**	**-**	**-**	0.00%	-	-

Assumptions on future life expectancy are based on published statistics and mortality tables.

At Dec. 31, 2020, the weighted average term of the defined benefit obligation was 22.2 years (previous year: 21.3 years).

If the other assumptions had remained constant, the changes in one of the relevant actuarial assumptions that would have been possible under reasonable consideration at the balance sheet date would have affected the defined benefit obligation by the amounts shown below:

Sensitivity analysis	*Change in acceptance*		*Increase of acceptance*		*Depreciation of acceptance*	
	Dec. 31, 2020	***Dec. 31, 2019***	*Dec. 31, 2020*	*Dec. 31, 2019*	*Dec. 31, 2020*	*Dec. 31, 2019*
Discount factor	**0.50%**	**0.50%**	-2.76%	-9.59%	21.35%	11.79%
Expected growth rates of salary (incl. Inflation)	**0.50%**	**0.50%**	12.91%	4.15%	-3.64%	-4.03%
Expected growth rates of pensions	**0.50%**	**0.50%**	12.78%	4.37%	-3.74%	-3.94%
Changes in life expectancy	**1 Year**	**1 Year**	9.49%	1.38%	-6.53%	-1.40%

Although the analysis does not take into account the full distribution of expected cash flows under the plan, it provides an approximate measure of the sensitivity of the assumptions presented.

2.7.2 Defined contribution plans

The Group operates some defined contribution plans to which Group companies pay fixed contributions. The Group's legal or constructive obligation for these plans is limited to these defined contributions.

Germany

There are defined contribution plans for the Executive Board members, into which €116k (previous year: €110k) was paid in the reporting year.

USA

In EQS Group Inc. a 401k plan was concluded for the employees, into which €7k (previous year: €11k) was paid in the reporting year.

2.8 Income Taxes

Income tax expense represents the sum of current and deferred tax expense for the current period including previous periods.

Current or deferred taxes are recorded in the consolidated statement of comprehensive income, unless they are connected with items recorded either in the other comprehensive income or directly in equity. In this case, the current and deferred tax is recorded in the other comprehensive income or directly in equity as well. If current or deferred taxes result from the initial accounting for a business combination, the tax effects are included in the accounting for the business combination.

2.8.1 Current Taxes

The current tax expense is determined based on the taxable income for the year. The taxable income differs from the net income for the year from the consolidated statement of comprehensive income due to expenses and income taxable or tax-deductible in subsequent years or never. The Group's liability for the current taxes is calculated based on the tax rates currently applicable.

2.8.2 Deferred Taxes

Deferred taxes are recognised for differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the calculation of taxable income, as well as on tax loss carryforwards. Deferred tax liabilities are accounted for, in general, for all taxable temporary differences; deferred tax assets are recorded to the extent that it is likely that taxable income is available for which the deductible temporary differences can be used. Such deferred tax assets and deferred tax liabilities are not recognised if the temporary differences or tax loss carryforwards arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are formed for taxable temporary differences arising from interests in subsidiaries, unless the Group is able to manage the reversal of the temporary differences and it is likely that the temporary difference will not reverse in the foreseeable future.

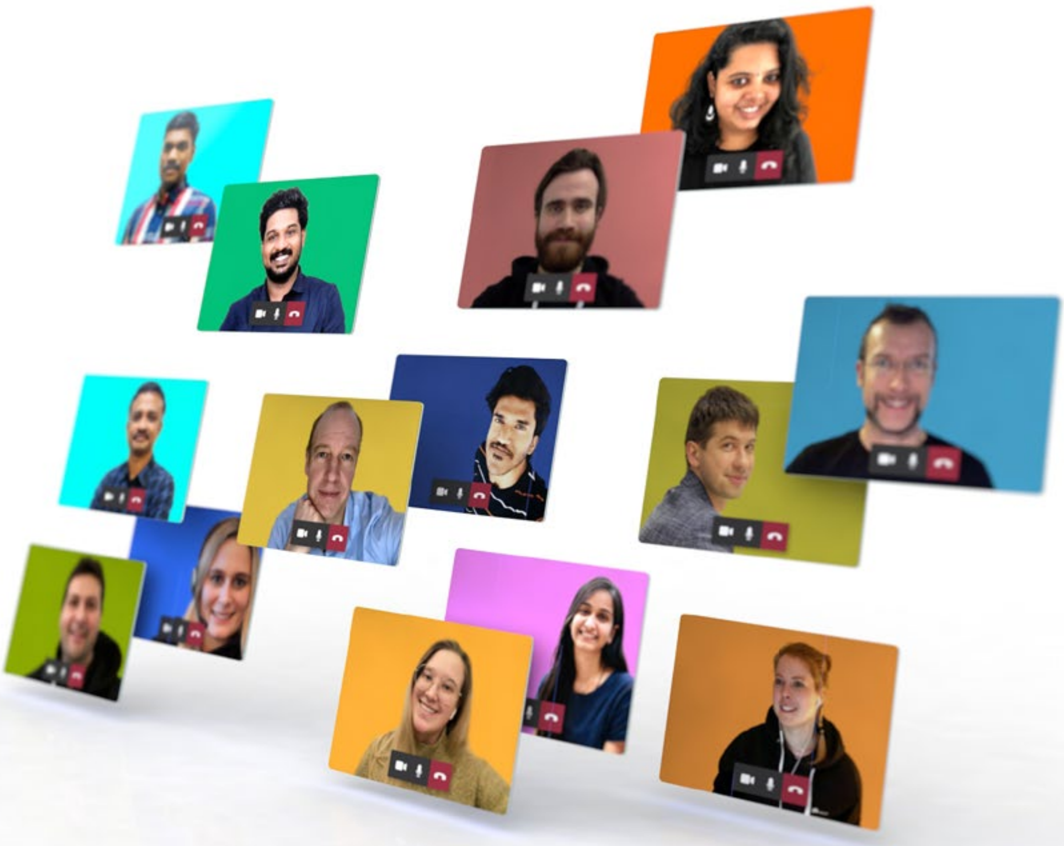
Deferred tax assets arising from temporary differences in connection with interests in subsidiaries are recorded only to the extent that it is likely that sufficient taxable income is available to use the claims from the temporary differences. Moreover, it must be possible to assume that such temporary differences will reverse in the foreseeable future.

The carrying amount of the deferred tax assets is analysed each year on the date of the financial statement and reduced in value where it is no longer likely that sufficient taxable income is available to settle the claim in whole or in part.

Deferred tax liabilities and assets are determined based on the expected tax rates and the tax laws presumably applicable at the time of settlement of the liability or recovery of the asset. The measurement of deferred tax assets and liabilities reflects the tax consequences arising from the manner in which the Group expects on the date of the financial statement to settle the liability or to recover the asset.

2.9 Earnings per Share

The basic earnings per share are determined by dividing the earnings share after taxes of the parent's shareholders by the weighted average number of shares outstanding during the financial year. The diluted earnings per share are calculated assuming that all potentially diluting securities and share-based payment plans will be converted or exercised.



2.10 Intangible Assets

Separately Acquired Intangible Assets with a finite useful life

Intangible assets with a finite useful life that are acquired separately, i.e. not in a business combination, are recorded at acquisition cost, less accumulated amortisations and impairments. The amortisations are recorded as expense on a straight-line basis over the expected useful life. The expected useful life and the amortisation method are reviewed at each date of the financial statement, and changes in estimates are prospectively taken into account.

The following useful lives were used as a basis of calculation for the amortisation:

IT software	**3-5 years**
Industrial property rights	**2-10 years**
Licences	**3 years**
Customer bases	**15 years**

Goodwill

Goodwill resulting from a business combination is accounted for at acquisition cost minus any necessary impairments and separately recognised in the consolidated balance sheet.

For impairment testing purposes, goodwill upon acquisition is allocated to those cash-generating units of the Group that are expected to benefit from the synergies of the combination.

Upon disposal of a cash-generating unit, the attributable amount of goodwill is taken into account when determining the disposal gain.

Self-Created Intangible Assets - Research & Development Costs

The creation process of self-created intangible assets is divided into a research phase and a development phase. Only the costs of the development phase can be capitalised. Costs for research activities are recognised as expenses in the period in which they are incurred. If the research phase cannot be separated from the development phase, the costs are allocated to the research phase.

Any self-created intangible asset resulting from the development activity or from the development phase of an internal project is accounted for once the following evidence has been provided:

» Completion of the intangible asset is technically feasible so that it will be available for use or sale.

» The entity intends to complete and to use or sell the intangible asset.

» The entity is able to use or sell the intangible asset.

» The intangible asset is expected to generate future economic benefit.

» There are adequate technical, financial and other resources available in order to complete the development and to use or sell the intangible asset.

» The entity is able to reliably determine the attributable expenses when developing the intangible asset.

The amount at which a self-created intangible asset is initially capitalised is the total of expenses incurred from the date on which the intangible asset initially meets the conditions above. Where a self-created intangible asset cannot be capitalised or no intangible asset yet exists, the development costs are recorded through profit or loss in the period of their accrual.

All non-capitalisable research and development expenses were expensed in the period in which they were incurred (2020: €2.79 million; previous year: €2.55 million).

In subsequent periods, self-created intangible assets are accounted for, analogously to acquired intangible assets, at manufacturing costs, less accumulated amortisations and impairments. The Group usually amortises capitalised development costs on a straight-line basis over a useful life of 5 to 10 years.

Intangible Assets Separately Acquired in a Business Combination

Intangible assets acquired in a business combination are recorded separately from goodwill and measured at their fair value on the acquisition date.

In subsequent periods, intangible assets acquired in a business combination are measured at their acquisition cost minus accumulated amortisations and any accumulated impairments, just like separately acquired intangible assets.

Derecognition of intangible assets

An intangible asset shall be derecognised on disposal or when no further economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the consolidated statement of comprehensive income when the asset is derecognised. This is reported in other income or other expenses.

2.11 Property, Plant & Equipment

Office and business equipment as well as commercial buildings are disclosed at acquisition or manufacturing cost less accumulated scheduled depreciations and recorded impairments.

Depreciations are such that the acquisition or manufacturing cost (except for assets under construction) less their residual values are depreciated on a straight-line basis over their useful lives. The expected useful lives, residual lives and depreciation methods are reviewed at each date of financial statements. Necessary changes in estimates are prospectively taken into account.

The scheduled depreciations are based on the following useful lives of the assets:

Commercial buildings	**35-60 years**
Computers, IT equipment	**3-7 years**
Office equipment	**10-23 years**
Leasehold improvements	**5-13 years**

Rights of use recognised in accordance with IFRS 16 are not shown separately but under property, plant and equipment and are amortised over their expected useful life in the same way as assets owned by the Group. Where it is not sufficiently certain that ownership will pass to the lessee at the end of the lease, however, the assets are depreciated over the shorter duration of lease term and expected useful life.

Derecognition of tangible assets

An item of property, plant, and equipment is derecognised either upon disposal or if it is no longer expected that the further use or disposal of the asset will generate any economic benefit. The profits and losses resulting from the derecognition of the asset are determined as difference from net disposal revenue and carrying amounts of the assets and recorded through profit or loss in the statement of comprehensive income in the period in which the asset is derecognised.

2.12 Impairments of Property, Plant & Equipment and Intangible Assets, Except for Goodwill

As of each date of financial statements, the Group reviews the carrying amounts of property, plant and equipment and of the intangible assets to determine whether there are any indications that such assets have been impaired. Where such indications exist, the recoverable amount of the asset is estimated to determine the extent of any impairment expense. If the recoverable amount for the individual asset cannot be estimated, the recoverable amount of the cash-generating unit, to which the asset belongs, is estimated. Where it is possible to determine a reasonable and consistent basis for distribution, the joint assets are distributed to the individual cash-generating units. Otherwise, they are distributed to the smallest group of cash-generating units for which a reasonable and consistent basis for distribution can be determined.

For intangible assets having an indefinite useful life or not yet available for use, an impairment test is performed at least annually or whenever there is any indication of an impairment.

The recoverable amount is the higher of the fair value less disposal costs and the value in use. When determining the value in use, the estimated future cash flows are discounted at a pre-tax rate. Such pre-tax rate takes account, on the one hand, of the current market assessment of the time value of money and, on the other hand, of the risks inherent in the asset, unless they had already been taken into account in the estimate of the cash flows.

If the estimated recoverable amount of an asset or a cash-generating unit falls below the carrying amount, the carrying amount of the asset or cash-generating unit is reduced to the recoverable amount. The impairment expense is immediately recorded through profit or loss, unless the corresponding asset is recognised at its remeasurement amount. In such a case, the impairment expense is to be treated as decrease in the remeasurement reserve.

Where the impairment expense subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the latest estimate of the recoverable amount. An impairment loss recognised for goodwill may not be reversed in future periods. In this case, the increase in the carrying amount is limited to the value that would have arisen if no impairment expense had been recorded for the asset or cash-generating unit in previous years. A reversal of impairment losses is directly recorded through profit or loss.

2.13 Borrowing Costs

Borrowing costs directly relating to the acquisition, construction or production of qualifying assets are added on the manufacturing costs of such assets up to the date on which the assets are substantially available for their intended use or for sale. Qualified assets are assets that take a substantial period of time to get ready for their intended use or sale.

The Group recorded all borrowing costs through profit or loss in the period of their accrual.

2.14 Financial Instruments

2.14.1 Recognition, Classification and Initial Measurement

Trade receivables are recognised from their date of accrual. All other financial assets and liabilities are initially recognised on the trading day when the company becomes a contracting party under the contractual terms of the instrument.

Upon initial recording, a financial asset is classified and measured as follows:

» at amortised cost

» FVOCI debt instruments (investments in debt instruments measured at fair value through other comprehensive income)

» FVOCI equity investments (equity investments measured at fair value through other comprehensive income)

» FVTPL (at fair value through profit or loss)

A financial asset (other than a trade receivable without a significant financing component) or a financial liability is initially recognised at fair value. In the case of an item that is not classified and measured as FVTPL, the transaction costs directly attributable to its acquisition or issue are included in the fair value. Trade receivables without a significant financing component are initially recognised at the transaction price.

2.14.2 Subsequent Measurement

Financial Assets

Financial assets are not reclassified after their initial recognition, unless the Group changes its business model to manage the financial assets. In this case, all relevant financial assets are reclassified on the first day of the period under review following the change in business model.

A financial asset is measured at amortised cost if both of the following conditions are met and the asset had not been designated as FVTPL:

- The financial asset is held under a business model whose objective is to hold financial assets to collect the contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is designated at FVOCI if both of the following conditions are met and it had not been designated as FVTPL:

- The financial asset is held under a business model whose objective is both to hold financial assets to collect the contractual cash flows and to sell financial assets, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If an equity investment is not held for trading, the irrevocable choice can be made to recognise the subsequent measurement in the other comprehensive income. This choice is made for each investment on a case-by-case basis.

All financial assets that are not measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. Derivatives are initially measured at fair value. Within the scope of subsequent measurement, derivatives are measured at fair value. Any resulting changes are generally recognised in profit or loss. On initial recognition, the Group may irrevocably elect to designate financial assets that otherwise qualify for measurement at amortised cost or FVOCI as FVTPL if doing so results in the elimination or significant reduction of accounting mismatches that would otherwise arise.

Financial assets - impairment

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables, and
- contract assets

Cash and cash equivalents are also subject to the impairment provisions of IFRS 9; however, due to the short-term instruments and their probability of default, there was no need to form risk provisions.

The Group applies the simplified approach under IFRS 9 to measure expected credit losses; accordingly, expected credit losses over the term of all trade receivables and contract assets are applied.

To measure expected credit losses, trade receivables and contract assets were combined on the basis of common credit risk characteristics and days past due. Contract assets relate to work in progress that has not yet been invoiced, and essentially have the same risk characteristics as trade receivables for the same types of contract. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

The expected loss rates are based on the payment profiles of revenues over a period of 12 months prior to Dec. 31, 2020 and the corresponding historical defaults in this period. Historical loss rates are adjusted to reflect current and forward-looking information about macroeconomic factors affecting the ability of customers to repay their loans and advances. The Group has identified the IMF Real GDP Growth (International Monetary Funds Gross domestic product) as the most relevant factor and adjusts the historical loss ratios based on expected changes in this factor.

On this basis, the allowance for trade receivables and contract assets was calculated as follows as of Dec. 31, 2020 and previous year:

Dec. 31, 2020	*Application of Average Loss Rate on 2020 Values*						
Overdue in days	*0*	*1-22*	*22-30*	*30-60*	*60-180*	*>180*	***Total***
Gross Trade Receivables	3,848,522	911,414	174,389	237,165	288,359	173,885	**5,633,735**
Loss Rate (historical)	0.59%	1.88%	3.84%	4.79%	7.25%	19.27%	
Loss Rate adjustment (forward looking info)	0.06%	0.20%	0.40%	0.50%	0.76%	2.02%	
Expected Credit Losses for Bucket 2 (IFRS 9)	2,395	1,790	700	1,189	2,187	3,506	**11,765**
Expected Credit Losses for Bucket 3 (IFRS 9)							**202,148**
Total ECL (IFRS 9)							**213,913**

Dec. 31, 2019	*Application of Average Loss Rate on 2019 Values*						
Overdue in days	*0*	*1-22*	*22-30*	*30-60*	*60-180*	*>180*	***Total***
Gross Trade Receivables	3,406,567	803,134	68,727	177,163	288,107	359,852	**5,103,551**
Loss Rate (historical)	0.63%	1.89%	3.59%	3.89%	4.95%	8.92%	
Loss Rate adjustment (forward looking info)	0.51%	1.53%	2.90%	3.14%	4.00%	7.21%	
Expected Credit Losses for Bucket 2 (IFRS 9)	17,320	12,281	1,995	5,571	11,537	25,948	**74,653**
Expected Credit Losses for Bucket 3 (IFRS 9)							**73,541**
Total ECL (IFRS 9)							**148,194**

Financial Liabilities - Classification, Subsequent Measurement and Profits & Losses

Financial liabilities are classified and measured at amortised cost or at fair value through profit or loss (FVTPL). A financial liability is classified at FVTPL if it is classified as held for trading, is a derivative or designated as derivative upon initial recognition.

Financial liabilities at FVTPL are measured at fair value, and net profits or losses, including interest expenses, are recorded in profit or loss.

Other financial liabilities are measured at amortised cost using the effective interest method in the subsequent measurement. Interest expenses and foreign currency translation differences are recorded in profit or loss. Profits or losses from derecognition are recorded in profit or loss as well.

Derecognition

The Group derecognises a financial asset where the contractual rights regarding the cash flows from the financial asset expire or it transfers the rights to receive the cash flows in a transaction, in which all substantial rewards and risks associated with the ownership of the financial asset are transferred as well.

Derecognition is also made where the Group neither transfers nor retains all substantial rewards and risks associated with the ownership and does not retain control of the transferred asset.

The Group derecognises a financial liability where the contractual obligations have either been discharged or cancelled or expired. Furthermore, the Group derecognises a financial liability if its contractual terms are amended and the cash flows of the adapted liability are significantly different. In this case, a new financial liability based on the adapted terms is recorded at fair value.

When derecognising a financial liability, the difference between the carrying amount of the redeemed liability and the paid fee (including transferred non-cash assets or assumed liabilities) is recorded in profit or loss.

Financial assets and liabilities are not offset unless there is a legal right to offset the recognised amounts.

Cash and Cash in Bank

Cash and cash in bank are measured at cost. They include cash in hand, cash in bank available on call and other short-term highly liquid financial assets having a maturity of three months at maximum at the time of acquisition.

2.15 Equity

An equity instrument is a contract that evidences a residual interest in the assets of a company after deducting all of its liabilities. Equity instruments are recorded at the received issuing revenue less directly attributable issuing costs. Issuing costs are costs that would not have incurred if the equity instrument had not been issued.

Redemptions of treasury equity instruments are directly deducted from equity. Neither purchase nor sale, issuance or collection of treasury equity instruments are recorded in profit or loss.

Debt and equity instruments issued by a Group company are classified as financial liabilities or equity according to the economic content of the contractual agreement and the definitions.

2.16 Share-Based Payments

Share-based payments with compensation by equity instruments to employees are measured at the grant-date fair value of the equity instrument.

The fair value determined upon granting of the share-based payments with compensation by equity instruments is accounted for as expense on a straight-line basis over the vesting period with the equity being increased accordingly and is based on the Group's expectations regarding the equity instruments likely to vest. As of each date of financial statements, the Group must review its estimates regarding the number of vesting equity instruments. The impact of the changes in the initial estimates, if any, must be recorded through profit or loss. They are recorded such that the total expenditure reflects the change in estimates and results in the reserve being adapted by equity instruments accordingly.

2.17 Other Provisions

Provisions are formed where the Group has a present (legal or constructive) obligation as a result of a past event, it is probable that the fulfillment of the obligation will be associated with an outflow of resources and the amount of the provision can be estimated reliably.

The amount recognised as a provision is the best estimate resulting on the date of the financial statement for the performance to be rendered to fulfill the present obligation. At the same time, risks and uncertainties inherent in the obligation must be taken into account. If a provision is measured based on the cash flows estimated for the fulfillment of the obligation, such cash flows must be discounted where the interest effect is substantial.

Where it can be assumed that the economic benefit required to settle the provision will be reimbursed by an external third party in whole or in part, such claim is capitalised as an asset if reimbursement is virtually certain and its amount can be estimated reliably.

Onerous Contracts

Present obligations associated with onerous contracts are recorded as provision. The existence of an onerous contract is assumed if the Group is contracting partner of a contract where it is expected that the non-avoidable costs required to perform the contract will exceed the economic benefit accruing from the contract.

Dismantling Obligations

Dismantling obligations exist in particular in the area of real estate leasing. Provisions for dismantling expenses for rented office space are recognised if the obligation arises at the beginning of the lease or as a result of the use of the property during the term. In the valuation, the expenses required to restore the leased property are estimated as best as possible. The estimates are reviewed regularly and adjusted if necessary.

Severance Payments

A liability for benefits in the event of terminating an employment relationship is recorded where the Group can no longer withdraw the offer of such benefits.

2.18 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and the entity will comply with the conditions attaching to it.

For this reason, EQS Asia Ltd. recognised €80k in other operating income in the financial year. In the subsidiary EQS Group Inc., a loan in the amount of €133k was recognised in current financial liabilities as at the balance sheet date.

2.19 Contingent Purchase Price Payments Resulting from a Business Combination

Contingent purchase price payments resulting from a company acquisition are qualified at fair value at the time of acquisition as part of the acquisition costs upon initial recognition and therefore increase the goodwill to be recognised. The contingent acquisition costs are also subsequently measured at fair value, with its change being considered through profit or loss. There is just one exception for adjustments within 12 months of the company acquisition. Here, an adjustment leads to an adjustment of the acquisition costs and therefore the goodwill, if they require the reassessment of valuations and do not result from post-acquisition (value-changing) events.

2.20 Estimation Uncertainties and Discretionary Decisions

When compiling the consolidated financial statement, the management board is required to assess facts, perform estimates and make assumptions relating to the carrying amounts of any assets and liabilities that cannot be determined from other sources without more ado. The estimates and their underlying assumptions result from past events and further factors deemed relevant. The actual values may differ from the estimates.

The assumptions underlying the estimates are subject to regular review. Where changes in estimates newly affects a period, they are taken into account only in the period affected. If the changes affect both the current and the following periods under review, they are taken into account in the current and in the following periods accordingly.

2.20.1 Significant Exercise of Discretion by the Management Board when Applying the Accounting Principles

The following paragraphs illustrate the significant exercises of discretion by the management board when applying the company's accounting principles and the most substantial impact of these exercises of discretion on the amounts disclosed in the consolidated financial statement. The illustration does not include exercising of discretion that include estimates.

Provisions for Bonuses/Commissions

The Group's employees receive a voluntary payment for the past financial year. Determination of the amount of the provision is an exercise of discretion by the respective company management of the involved entities as of Dec. 31, 2020, the total was €820k (previous year: €697k).

Contract Manufacturing Percentage of Completion

The revenue recognition for long-term contracts, which was previously based on the percentage of completion method, will also be recognised in accordance with IFRS 15 guidelines for performance obligations that are fulfilled over a certain period of time. There were therefore no changes to the consolidated statement of comprehensive income in this regard. In the consolidated balance sheet, the amounts recognised in the PoC method as gross amount due from customers for contract work are recognised as contract assets in accordance with IFRS 15.

For fixed-price contracts, the percentage of completion is principally determined by the costs incurred to date in proportion to the total costs (cost-to-cost method). In individual cases, however, it is necessary to estimate the percentage of completion according to the overall progress, since determination under the cost-to-cost method would not lead to meaningful results. Selection of the method to determine the percentage of completion is at the discretion of the executive management and is made individually, depending on the existing project, together with the project manager in charge. Construction contracts with an asset-side balance towards customers amount to €26k (previous year: €76k). Construction contracts where the advance payments exceed the asset-side balance are disclosed as trade payables in the amount of €0k (previous year: €47k).

Self-Created Intangible Assets

To capitalise the self-created intangible assets, there is margin of discretion in the demarcation between research and development which exists between capitalisation and non-capitalisation of the costs incurred. The carrying amount of the self-created intangible assets is €7.87 million (previous year: €7.07 million).

Leasing

Please refer to our comments in Note 22.

2.20.2 Major Sources of Estimation Uncertainties

The following paragraphs specify the main forward-looking assumptions and the other major sources of estimation uncertainties as of the end of the period under review that are likely to generate a considerable risk that a substantial adaptation of the disclosed assets and liabilities will become necessary in the next financial years.

Impairment of Self-Created Intangible Assets

During the financial year, the management board reassessed the impairment of the self-created intangible assets. An impairment exists if the carrying amount of an asset exceeds its recoverable amount. In this case, the recoverable amount is the higher of the fair value less disposal costs the and value in use. As of the balance sheet date, €7.87 million of self-created intangible assets have been accounted for, whereof €2.45 million are still in development (previous year: €7.07 million, thereof €782k still in development).

The project developments have been satisfactory, and the customer feedback confirmed the preceding estimates of the management board regarding the expected revenue from the projects as well. The future market situation will continue to be closely monitored, and adaptations will be made in the following financial years, where they appear appropriate.

Useful Life and Impairment of Intangible Assets and Goodwill

To ascertain the existence of an impairment in goodwill, it is necessary to determine the value in use of the cash-generating unit to which such goodwill is to be assigned. The calculation of the value in use requires an estimate of the future cash flows from the cash-generating unit and of a suitable discounting rate for the cash value calculation. If the actually expected future cash flows turn out to be lower than estimated so far, this may result in a substantial impairment. As of the balance sheet date, goodwill of €16.90 million has been accounted for (previous year: €17.76 million).

The Group reviews the useful lives of intangible assets on each date of financial statements. For the customer base of €5.96 million (previous year: €6.72 million), the management board is still assuming that a useful life of 15 years is appropriate as a result of the existing customers' very low termination rates.

Assets that are subject to scheduled depreciation are tested for impairment pursuant to IAS 36 where corresponding events or changes in circumstances indicate that the carrying amount is potentially no longer recoverable. An impairment loss is recorded to the extent the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value of the asset less disposal costs and the value in use.

Details of the impairment tests are shown in Note 20. In the fiscal year there was a need to write down goodwill in the amount of €645k (previous year: €1.56 million).

Useful Life and Impairments of Property, Plant & Equipment

The Group reviews the estimated useful lives of property, plant and equipment on each date of financial statements. As of the balance sheet date, property, plant and equipment of €7.22 million (previous year: €8.84 million) have been accounted for. The most significant change is due to the regulations of IFRS 16. Details are presented in Note 21.

The useful lives underlying the scheduled depreciations are based on estimates and are reviewed on each date of financial statements. The useful lives are reasonably considered in the current financial year. Changed assumptions or circumstances might require future changes.

Assets that are subject to scheduled depreciation are tested for impairment pursuant to IAS 36 where corresponding events or changes in circumstances indicate that the carrying amount is potentially no longer recoverable. An impairment loss is recorded to the extent the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value of the asset less disposal costs and the value in use.

There was no depreciation needed in the financial year and the previous year.

Measurements at Fair Value and Measurement Methods

Some of the Group's assets and liabilities are measured at fair value. To determine the fair value of assets and liabilities, the Group uses observable market data as far as possible. If such level 1 input parameters are not available, the Group engages qualified external experts to perform the measurements. Further details are illustrated in Notes 2.20, 35 and 39.9.

Capitalisation of Deferred Taxes

Deferred tax assets are accounted for to the extent that the management board considers their future realisation to be probable. The estimate is governed by the extent to which future tax profits will be generated and can be offset against the tax losses carried forward not used to date and that temporary differences will reverse. This requires assumptions regarding the interpretation of the tax regulations and the development of the taxable income of the respective Group entities. The management reviews the estimate of insecure income tax items at annual intervals, taking into account the expected tax payments.

Acquisition of Subsidiaries

The determination of the fair value of the transferred consideration (including contingent considerations) and the provisional determination of the fair values of the identifiable acquired assets and assumed liabilities are subject to a significant risk of estimation.

Impairment Measurement Due to the Expected Credit Losses for Trade Receivables and Contract Assets

The determination and derivation of key assumptions to determine the weighted average loss rate are subject to a high risk of estimation.

» 3. Acquisition of Subsidiaries «

Acquired subsidiaries

Reporting year

Company	*Principal activity*	*Date of acquisition*	*Shares (%)*
Got Ethics A/S, Copenhagen, Denmark	Danish provider of internal whistleblowing systems for companies	January 2021	100.000

Got Ethics A/S was acquired with the aim of continuing the expansion of the Group's activities, primarily in the Compliance segment. This is an acquisition after the balance sheet date.

Previous year

None

Consideration transferred

Reporting year

The base purchase price for the acquisition of Got Ethics A/S is €10 million. This can be increased by a maximum of €6 million over the next two years, depending on whether the contractually agreed earn-out components are applied.

Previous year

None

Data for which the corresponding information was not yet available

Reporting year

At the time the financial statements were authorised for issue, the initial accounting for the acquisition of Got Ethics A/S was not yet complete. In particular, the fair values of the assets acquired and liabilities assumed were still preliminary; independent valuations were not yet available. Likewise, detailed information on individual classes of the acquired receivables and contingent liabilities of the acquired company cannot yet be provided.

Previous year

None

Associated companies

Reporting year

With effect from Jan. 1, 2021, 23% of C2S2 GmbH in Bonn was acquired. The company is accounted for at-equity.

The company has developed a digital service (Rulebook) with which corporate guidelines can be communicated in an understandable and empathetic manner.

Previous year

None

Non-Controlling Interests

Reporting year

None

Previous year

The Amendment Agreement II to the Share Purchase & Assignment Agreement dated Nov. 18, 2018 concluded in the previous year was fulfilled in full. The minority interest was subsequently reduced to a total of 8.16%. With the purchase agreement of Jun. 24, 2019, the shares in ARIVA.DE AG amounting to 91.85% in total were sold. See also Note 4 Discontinued operations.

Effects of the Acquisition on the Group Results

Reporting year

Due to clause 4.1 a) of the ARIVA.DE AG share purchase agreement, a payment of €246k was made. This was reported under other income in the reporting year.

Previous year

Income of €159k from the release of the contingent consideration not due for payment from the acquisition of Integrity Line GmbH is included in the consolidated result.

» 4. Discontinued Operations «

Reporting year

None

Previous year

The Group sold the subsidiary ARIVA.DE AG with effect from Jul. 1, 2019 because the business segment had not evolved as expected. This means that the subsidiary will be reported as a discontinued operation in the reporting period. As a result, all assets and liabilities of the subsidiary were sold and thus deconsolidated as of Jul. 1, 2019. ARIVA.DE AG was not previously classified as a discontinued operation or held for sale.

Financial information on the discontinued operation for the previous year up to the date of disposal can be found in the previous year's report.

» 5. Segment Information «

Our Compliance and Investor Relations business segments are operating units that conduct business activities to generate sales and whose operating results (EBITDA) are regularly reviewed by management and for which separate financial information is available. The internal reporting and organisational structure of EQS Group AG forms the basis for this. The grouping of our product range into the two segments Compliance and Investor Relations is carried out in accordance with our sales markets.

The Compliance segment comprises all offerings for the fulfillment of a regulatory obligation. This includes the SaaS solutions Disclosure, Insider Manager, Integrity Line, Policy Manager and Approval Manager, which are combined in the COCKPIT cloud platform. In addition, there are further services outside the platform with filings (XML, XBRL) and LEI where external interfaces are involved. Since customers in the filings area typically do not use COCKPIT, these customers are reported separately.

The Investor Relations segment includes the offering in the area of voluntary investor and corporate communication as well as investor data. The cloud platform COCKPIT bundles the SaaS solutions Newswire, Investors (investor data), CRM and Mailing. Outside the platform, there are further services such as websites, tools, reports, webcasts, virtual AGM and media.

The accounting policies for the reportable segments comply with the consolidated accounting policies described in Note 2. To measure the earnings power of the segment and to decide about the type of allocation of resources, EBITDA is used. EBITDA is calculated as total operating performance (sales revenues, other operating income, own cost capitalised) less cost of services, personnel expenses and other operating expenses.

The segments' earnings power is thus measured in the same manner as the company's earnings power.

As the management board does not manage according to segment assets or segments liabilities, the information was not provided.

There are no revenues from business transactions with a single external customer that amount to at least 10% of total sales revenues.

In the Investor Relations segment, there was a need for value adjustments in the amount of €645k in the financial year (previous year: €1.56 million).

In 2019, the income statement only takes into account the income and expenses of ARIVA.DE AG up to and including Jun. 30, 2019, as this was sold on Jul. 1, 2019.

In the 2020 reporting year, we restructured our revenue allocation internally.

In the Compliance division, the Cloud revenues reflect the former division Large Caps. The Service area is made up of the former XML and LEI revenues.

In the Investor Relations area, the revenue of the former division Large Caps is divided into Cloud and Service.

FY 2020	*Compliance EUR '000*	*Investor Relations EUR '000*	*Group EUR '000*
Revenues			
Cloud-Products	10,696	7,849	18,545
Service-Products	9,273	9,818	19,091
Discontinued operation (ARIVA.DE AG)	0	0	0
Total revenues	**19,969**	**17,667**	**37,636**
Other income	251	222	473
Own cost capitalised	710	961	1,671
Operating expenses	-15,710	-19,310	-35,020
EBITDA	**5,220**	**-460**	**4,760**

new allocation

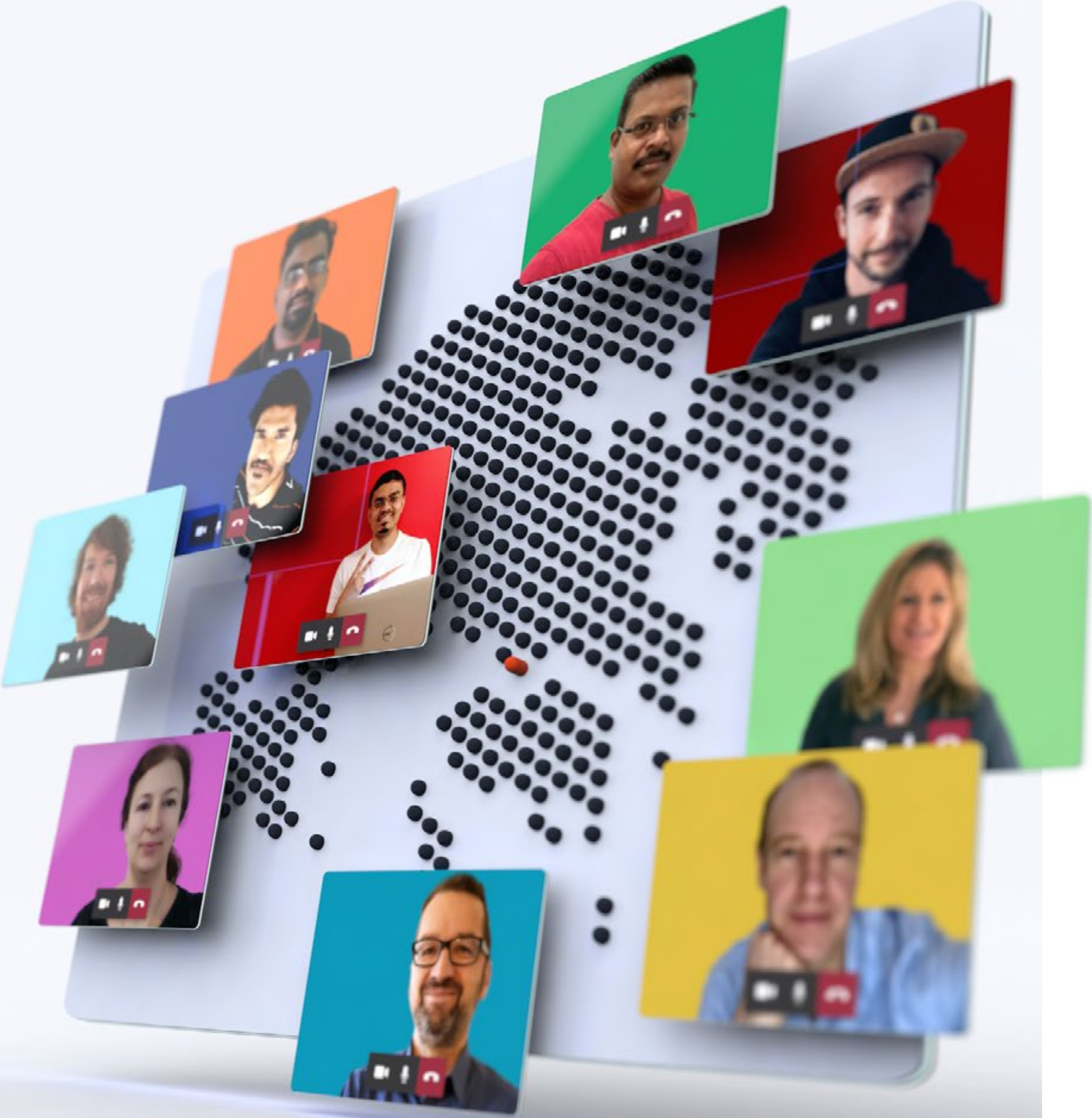
FY 2019	*Compliance EUR '000*	*Investor Relations EUR '000*	*Group EUR '000*
Revenues			
Cloud-Products	9,332	5,286	14,618
Service-Products	8,535	8,717	17,252
Discontinued operation (ARIVA.DE AG)	1,425	2,072	3,497
Total revenues	**19,292**	**16,075**	**35,367**
Other income	261	217	478
Own cost capitalised	444	2,248	2,692
Operating expenses	-17,131	-18,851	-35,982 *
EBITDA	**2,866**	**-311**	**2,555 ***

previous allocation

FY 2019	*Compliance EUR '000*	*Investor Relations EUR '000*	*Group EUR '000*
Revenues			
Large Caps	9,332	14,003	23,335
XML	6,465	0	6,465
LEI	2,070	0	2,070
ARIVA	1,425	2,072	3,497
Total revenues	**19,292**	**16,075**	**35,367**
Other income	261	217	478
Own cost capitalised	444	2,248	2,692
Operating expenses	-17,131	-18,851	-35,982 *
EBITDA	**2,866**	**-311**	**2,555 ***

* Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME



» 6. Revenues «

The consolidated revenues for the financial year can be broken down as follows:

	Reportable segments			
	Compliance		*Investor Relations*	
EUR '000	***2020***	*2019*	***2020***	*2019*
Primary geographical markets				
Domestic	15,816	16,072	11,132	10,478
International	4,153	3,220	6,535	5,597
Total	**19,969**	**19,292**	**17,667**	**16,075**
Important product and service lines				
Revenues				
Cloud-Products	10,696	9,332	7,849	5,286
Service-Products	9,273	8,535	9,818	8,717
Discontinued operation (ARIVA.DE AG)	0	1,425	0	2,072
Total	**19,969**	**19,292**	**17,667**	**16,075**
Realisation of revenues				
Services realised at one point	2,073	2,070	0	0
Services provided over a period of time	17,896	17,222	17,667	16,075
Total	**19,969**	**19,292**	**17,667**	**16,075**
Revenues from contracts with customers	**19,969**	**19,292**	**17,667**	**16,075**

Regarding the new allocation to product/service lines, we refer to the explanations under Note 5.

» 7. Other Income «

	2020 **EUR '000**	*2019* *EUR '000*
Benefits in kind	**0**	23
Income from the reversal of provisions	**53**	48
Grants received	**80**	0
Rental income from operation leases	**30**	6
Income from the sale of tangible assets	**0**	31
Income of amounts previously written-off	**6**	37
Non-period income	**36**	127
Income from contingent purchase price	**246**	159
Others	**22**	47
Total	**473**	**478**

Except for the profits and losses specified under Notes 7, 12 and 16, and the impairment losses recorded for trade receivables, no further income and expenses from credits and receivables were recorded.

The income from contingent purchase price payments (€246k) relates to an earn out payment from the sale of ARIVA.DE AG in 2019 that has fallen due.

» 8. Own Cost Capitalised «

	2020 **EUR '000**	*2019* *EUR '000*
Own software	**1,671**	2,692

In the reporting year, the following items were created as new substantial projects: additional products for the new COCKPIT at €1.23 million (previous year: €357k), the new Compliance COCKPIT at €207k, the new Policy Manager at €135k (previous year: €337k) as well as the new Approval Manager at €104k (previous year: €20k).

» 9. Cost of Services «

	2020 **EUR '000**	2019 EUR '000
Cost of services	**7,265**	6,595

The increase in services purchased compared to the previous year is mainly due to higher costs in the area of webcasts, which were in greater demand due to the COVID-19 pandemic.

» 10. Personnel Expenses «

	2020 **EUR '000**	2019 EUR '000
Wages/Salaries	**17,911**	19,160
Equity-settled share-based payments	**133**	126
Legal social expenses	**2,378**	2,611
Voluntary social expenses	**92**	143
Defined contribution plans	**180**	218 *
Defined benefit plans	**153**	73 *
Total	**20,847**	**22,331 ***

* Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes

Adjusted for the deconsolidation of ARIVA.DE AG as of Jul. 1, 2019, personnel costs increased by 5%.

» 11. Depreciation & Amortisation «

	2020	2019
	EUR '000	*EUR '000*
Depreciation on tangible assets	**465**	610
Depreciation on rights of use	**1,778**	1,959
Depreciation on intangible assets	**1,650**	1,599
Extraordinary depreciation on goodwill	**645**	1,562
Extraordinary depreciation on intangible assets	**59**	0
Total	**4,597**	**5,730**

The depreciation on intangible assets includes scheduled depreciation on the acquired customer bases of €656k (previous year: €743k) and own cost capitalised of €813k (previous year: €616k).

The depreciation of rights of use recognised in accordance with IFRS 16 includes scheduled amortisation of €1.78 million (previous year: €1.96 million).

Furthermore, as part of the impairment test in accordance with IAS 36, the goodwill of the subsidiary EQS Financial Markets & Media GmbH in the amount of €645k (previous year: €779k) was written down. The previous year also included an amortisation of the goodwill of EQS Asia Ltd. in the amount of €782k. The impairments relate to the Investor Relations segment. For specified information, see Note 20.

» 12. Other Expenses «

	2020	2019
	EUR '000	*EUR '000*
Room expenses	**384**	425
Insurances/contributions/fees	**225**	243
IT-costs/maintenance	**2,384**	2,008
Advertising and travel expenses	**1,391**	1,743
Telecommunication/office	**418**	428
Consulting fees	**1,116**	1,079
Losses on receivables/provisions for bad debts	**318**	224
Outside services	**160**	307
Non-period expenses	**228**	218
Others	**284**	381
Total	**6,908**	**7,056**

IT infrastructure expenses/repairs mainly include IT services provided by external partners as well as provider and service costs of €1.72 million.

Consulting costs comprise legal and consulting fees as well as accounting costs and costs for financial statements and audits.

» 13. Interest Income «

	2020 **EUR '000**	2019 EUR '000
Other loans and recaivables	**109**	79

» 14. Interest Expenses «

	2020 **EUR '000**	2019 EUR '000
Loans and bank overdrafts	**182**	215 *
Leases	**115**	135
Discounting of liabilities	**2**	1
Total	**299**	**351 ***

* Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes"

The weighted average financing cost rate used as a basis to determine the fair value of the loan liabilities from credit institutions amounts to 2.03% p.a. (previous year: 2.14%). The repercussions are included in the other interest expenses.

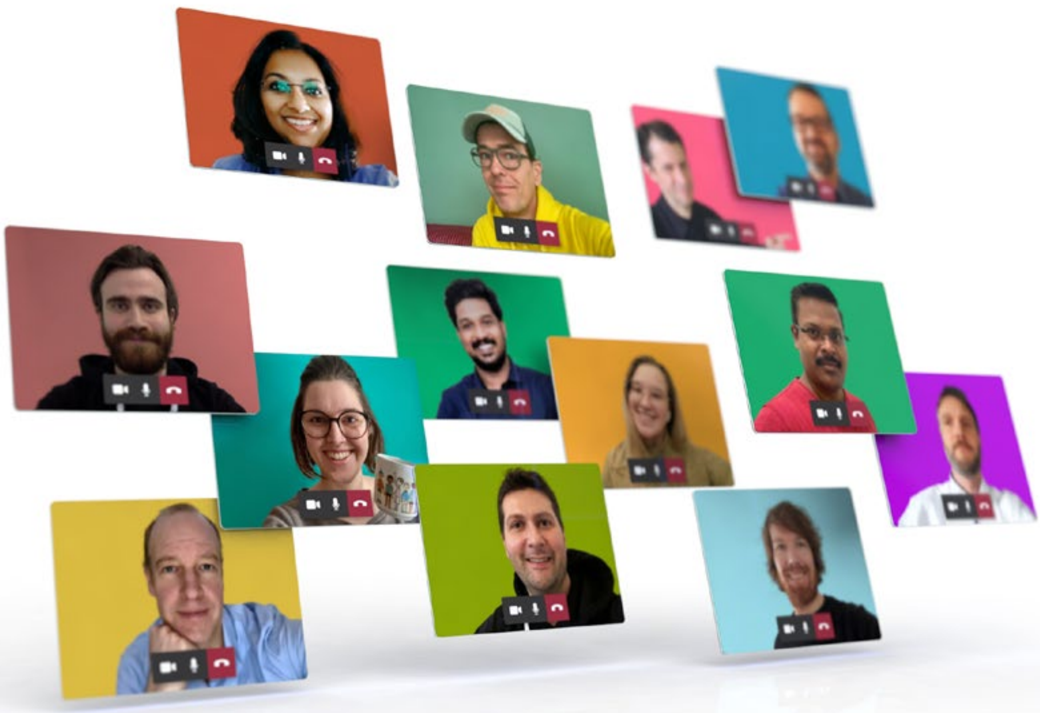
» 15. Other Financial Income «

	2020 EUR '000	*2019 EUR '000*
Proceeds from sale of ARIVA.DE AG	**0**	2,267
Net profit from currency translations	**0**	455
Total	**0**	**2,722**

» 16. Other Financial Expenses «

	2020 EUR '000	*2019 EUR '000*
Call-Option ARIVA.DE AG	**0**	358
Net loss from currency translations	**206**	0
Total	**206**	**358**

The most significant items in foreign currency translation are from the changes in the exchange rate of the US dollar to the euro amounting to €-254k, the British pound to the euro amounting to €-123k, the Russian rouble to the euro amounting to €61k, the Indian rupee to the euro amounting to €59k and the Swiss franc to the euro amounting to €50k (2019: Swiss franc €293k, Hong Kong dollar €93k, British pound €92k and the Russian rouble €-29k).



» 17. Income Taxes «

Change in deferred taxes of the current period

	2020 EUR '000	2019 EUR '000
Current tax		
In respect of the current year	212	103
In respect of the previous year	-1	26
Deferred tax		
In respect of the current year	276	477 *
In respect of IAS 19	106	4 *
Withholding Tax		
Withholding Tax	6	0
Total	**599**	**610 ***

* Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes

The consolidated tax ratio is calculated according to the taxable income pursuant to tax regulations. The expected income tax rate includes the statutory German corporation tax, the solidarity surcharge and the trade tax, totalling 32.95% (previous year: 32.95%), and can thus differ from the actual consolidated tax ratio at the end of the year. The tax rates of the included companies range from approx. 16% to 33%. There were no changes in tax rates compared to the previous year.

The differences between the actually posted and the expected income tax expense are disclosed in the reconciliation below. The expected income tax expense results from the earnings before income taxes, multiplied by the expected income tax rate.

	2020 EUR '000	2019 EUR '000
Profit before tax from continuing operations	-233	-1,083 *
Income tax expense calculated at 32.95% (2019: 32.95%)	0	0
Effect of differing foreign tax rates	122	-133
Effect of expenses that are not deductible in determining taxable profit	64	76
Effect of tax losses	388	620 *
Actual expenses relating to income tax from earlier periods	0	25
Actual refund relating to income tax from earlier periods	-1	0
Others	26	22
Total	**599**	**610 ***
Effective tax rate	**-257.08%**	**-56.33% ***

* Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes

Income Taxes Recorded in the Other Comprehensive Income

	2020 EUR '000	2019 EUR '000
Deferred tax		
Revaluation IAS 19	**-67**	-9

Current Tax Assets & Liabilities

	Dec. 31, 2020 EUR '000	Dec. 31, 2019 EUR '000
Current tax assets		
Tax refund receivable	**31**	49
Current tax liabilities		
Income tax payable	**56**	46

Deferred Tax Assets & Liabilities

The deferred tax assets and liabilities in the consolidated balance sheet are analysed as follows:

	Dec. 31, 2020 EUR '000		Dec. 31, 2019 EUR '000		
	Deferred tax assets	*Deferred tax liabilities*	*Deferred tax assets*	*Deferred tax liabilities*	
Intangible assets	0	-3,551	0	-3,355	
Tangible assets	-160	-1,201	-167	-1,463	
Financial assets	0	0	0	-52	
Other assets	0	-92	0	0	
Receivables	13	-10	1	-23	
Cash	67	0	61	-2	
Provisions	19	133	169	-1	*
Liablities	1,480	0	1,709	0	
Loss carried forward	786	0	1,044	0	*
	2,205	**-4,721**	**2,817**	**-4,896**	*
Thereof non-current	801	-4,711	2,436	-4,158	*
Balancing	-2,205	2,205	-2,817	2,817	*
Total	**0**	**-2,516**	**0**	**-2,079**	*

* Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes

Unused Tax Losses

It was not possible to some extent to capitalise any deferred taxes on foreign losses carried forward in the reporting year Among others, this is due to only partial availability of losses carried forward within the planning period or tax losses not usable in principle according to the individual foreign tax legislation. Although some of the losses cannot be used indefinitely, no tax loss carryforwards have expired so far.

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*
Non deferred tax assets recognised for unused tax losses	**2,126**	1,664

No deferred tax liabilities were created on outside basis differences. The related temporary differences amount to €123k (previous year: €68k).

» 18. Earnings per share «

The following table contains the amounts used as a basis of calculation for the diluted and undiluted earnings per share:

	2020	*2019*	
	EUR '000	*EUR '000*	
Profit of the year attributable to owners of the Company	**-866**	-1,572	*
	in thousand	in thousand	
Weighted average number of ordinary shares adjusted for the dilution (incl. Share Split)	7,207	**7,173**	
Earnings per share - basis and diluted	-0.12	**-0.22**	*

* Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes

» 19. Dividend «

	EUR '000
Dividend on the ordinary shares decided in the general meeting:	
Dividend for 2019: EUR 0.00 per share	**0**
Dividend on the ordinary shares to be proposed in the general meeting: (not reported as a liability as of December 31)	
Dividend for 2020: EUR 0.00 per share	**0**

CONSOLIDATED BALANCE SHEET

» 20. Intangible Assets and Goodwill «

	Own software EUR '000	Other software and licences EUR '000	Customer base EUR '000	Goodwill EUR '000	**Total EUR '000**
Acquisition and/or manufacturing costs:					
As of January 1, 2019	7,354	2,978	12,456	20,619	43,407
Adjustment of reporting	-162	-1,537	-497	0	-2,196
Additions 2019	2,692	42	0	0	2,734
Disposals 2019	0	0	0	0	0
Disposals from deconsolidation 2019	1,739	190	2,296	1,693	5,918
Currency difference	0	21	244	391	656
As of December 31, 2019	8,145	1,314	9,907	19,317	38,683
Adjustment of reporting	162	1,649	-16	0	1,795
Additions 2020	1,671	11	0	0	1,682
Disposals 2020	0	110	0	0	110
Currency difference	0	-3	-193	-275	-471
As of December 31, 2020	**9,978**	**2,861**	**9,698**	**19,042**	**41,579**
Depreciation & amortisation and valuation allowances:					
As of January 1, 2019	954	2,279	2,881	0	6,114
Adjustment of reporting	-162	-1,537	-497	0	-2,196
Depreciation & amortisation 2019	616	243	743	1,562	3,164
Disposals 2019	0	0	-8	0	-8
Disposals from deconsolidation 2019	333	138	0	0	471
Currency difference	0	8	48	0	56
As of December 31, 2019	1,075	855	3,183	1,562	6,675
Adjustment of reporting	162	1,649	-16	0	1,795
Depreciation & amortisation 2020	873	182	655	645	2,355
Disposals 2020	0	110	0	0	110
Currency difference	0	-5	-84	-63	-152
As of December 31, 2020	**2,110**	**2,571**	**3,738**	**2,144**	**10,563**
Book value:					
As of December 31, 2020	**7,868**	**290**	**5,960**	**16,898**	**31,016**
As of December 31, 2019	7,070	459	6,724	17,755	32,008
As of January 1, 2019	6,400	699	9,575	20,619	37,293

The largest adjustment relates to the addition to internally generated software. Furthermore, a goodwill amortisation was carried out at the subsidiary EQS Financial Markets & Media GmbH in the reporting year.

Allocation of Goodwill to the Cash-Generating Units

Goodwill was allocated to cash-generating units for the purpose of impairment testing. In the case of goodwill, the cash-generating unit (CGU) is the segment within a group company and not the individual company itself.

Chronoligical order by date of acquisition	*Date of acquisition*	*Segement*	***Book value Dec. 31, 2020 EUR '000***	*Book value Dec. 31, 2019 EUR '000*
CGU EQS Group AG Compliance	2005	Compliance	**4,761**	4,761
CGU EQS Financial Markets & Media GmbH	2007	Investor Relations	**1,009**	1,654
CGU EquityStory RS, LLC	2008	Investor Relations	**14**	14
CGU EQS Group AG Investor Relations	2011	Investor Relations	**460**	460
CGU EQS Asia Ltd.	2014	Investor Relations	**2,545**	2,768
CGU EQS Group Ltd.	2015	Investor Relations	**457**	484
CGU EQS GROUP AG (Switzerland) Investor Relations	2016	Investor Relations	**2,136**	2,126
CGU EQS GROUP AG (Switzerland) Compliance	2018	Compliance	**5,516**	5,489
Total			**16,898**	**17,756**

A two-stage discounted cash flow model was used to determine the fair values, which is based on a detailed planning of the total income and total expenses for 5 years and perpetual annuity taking a long-term growth rate into account.

The sales planning for the individual CGUs considers the following future potential:

» For the EQS Group AG Compliance CGU, we are expecting positive influences on sales growth from financial market regulations and expansion into the compliance market.

» For the EQS Financial Markets & Media GmbH CGU, we expect it to stabilise at the current low level

» For the EquityStory RS LLC CGU, we are expecting continuation of sales growth as a result of our position as a market leader.

» For the EQS Group AG Investor Relations CGU, we are expecting additional sales through cross-selling with the new products Investor, CRM and Mailing.

» For the EQS Asia Ltd. CGU, we are planning new client growth in the coming years through the new COCKPIT as well as in webcasts.

» For the EQS Group Ltd. CGU, we are anticipating a significant cross-selling potential for existing customers and market share increases by the new COCKPIT.

» For the EQS Group AG (Switzerland) Investor Relations CGU, we are anticipating a significant cross-selling potential for existing customers and market share increases by the new COCKPIT.

» For our EQS GROUP AG (Switzerland) Compliance CGU, we are expecting continuation of sales growth as a result of our position as a market leader.

The related EBIT(DA) planning for the individual CGUs is based on historic empirical values for the individual products' EBIT(DA) margins and their current business volume. Depending on the development phase of the CGUs' business volume and their business focus, there is a higher margin development in the detailed planning phase and a higher margin in perpetual annuity.

For the CGU EQS Financial Markets & Media GmbH, taking into account growth in perpetuity of 1% and pre-tax capital costs (pre-tax WACC) of 7.2%, the value in use is €645k lower than the carrying amount. The expected stabilisation of the media budgets of advertising clients did not materialise. Accordingly, the goodwill for the CGU was impaired by €645k.

The recoverable amount of the following CGUs was also subjected to a sensitivity analysis. The impact of a change in the underlying sensitive assumptions on the carrying amount of the CGU is as follows:

<table>
<tr><th>CGU</th><th>Assumption</th><th>Parameter</th><th>Change the parameters to:</th><th>(cumulative) effect on the carrying amount</th></tr>
<tr><td rowspan="2">EQS Group AG
Investor Relations</td><td>Growth in the perpetuity</td><td>1%</td><td>0%
(-1 percentage point)</td><td rowspan="2">€1.98 million</td></tr>
<tr><td>pre-tax cost of capital
(pre-tax WACC)</td><td>6.60%</td><td>7.60%
(+1 percentage point)</td></tr>
</table>

Substantial Intangible Assets

The substantial additions to the intangible assets in the reporting year result from the additions to the self-created software. Regarding this, please refer to Note 8.

The customer bases developed as follows:

	Book value Goodwill Dec. 31, 2020 EUR '000	*Book value Goodwill Dec. 31, 2019 EUR '000*	*remaining amortisation period as of Dec. 31, 2020*
TodayIR Ltd.	**1,207**	1,473	Apr. 30, 2029
Tensid AG	**1,239**	1,356	Dec. 31, 2030
Obisidian IR Ltd.	**306**	355	Nov. 30, 2030
news aktuell GmbH	**1,364**	1,552	Mar. 31, 2028
Integrity Line GmbH	**1,844**	1,988	Dec. 31, 2033
Total	**5,960**	**6,724**	

Customer bases are amortised on a scheduled basis over a term of 15 years.

» 21. Tangible Assets«

	Furniture and office equipment EUR '000
Acquisition costs:	
As of January 1, 2019	5,683
Adjustment of reporting	-1,427
Additions 2019	11,257
Disposals 2019	61
Disposals from deconsolidation 2019	4,511
Currency difference	45
As of December 31, 2019	10,986
Adjustment of reporting	2,861
Additions 2020	913
Disposals 2020	378
Currency difference	-326
As of December 31, 2020	**14,056**
Depreciation & amortisation and valuation allowances:	
As of January 1, 2019	3,442
Adjustment of reporting	-1,427
Depreciation & amortisation and valuation allowances 2019	2,569
Disposals 2019	46
Disposals from deconsolidation 2019	2,408
Currency difference	18
As of December 31, 2019	2,148
Adjustment of reporting	2,861
Depreciation & amortisation and valuation allowances 2020	2,242
Additions 2020	277
Currency difference	-134
As of December 31, 2020	**6,840**
Book value:	
As of December 31, 2020	**7,216**
As of December 31, 2019	8,838
As of January 1, 2019	2,241

As of the balance sheet date, contractual obligations of €0 (previous year: €12k) exist in the form of orders for the acquisition of property, plant and equipment.

The addition mainly relates to IT and the extension of rental agreements that have been accounted for in accordance with IFRS 16 since Jan. 1, 2019.

» 22. Leases «

The Group as lessee

The Group, as lessee, generally recognises a right of use for all leases and a liability for the payment obligation incurred at the time the leased asset is available for use by the Group. Exceptions are made for short-term leases and those involving low-value assets. For these leases the Group recognises the lease payments as rental expense on a straight-line basis over the lease term. Short-term leases are those with a term of up to 12 months. Assets of minor value up to USD 5,000 include office furniture and equipment. Rights of use for intangible assets that are not already explicitly excluded from the scope of IFRS 16 are optionally not accounted for using the rights of use model.

In order to maintain operational flexibility, the Group leases in particular real estate and office equipment. At the inception of the lease, an assessment is made as to whether the lease represents or contains a leasing relationship. A lease is a contract that transfers the right to use an asset (the underlying leased asset) for an agreed period of time in return for payment.

A liability is recognised for the lease agreements in the amount of the present value of the existing payment obligation, which consists of fixed payments less any lease incentives to be received and variable lease payments linked to an index or (interest) rate. Subsequent accounting is based on the effective interest method. To determine the present value, the discount rate used is a marginal borrowing rate equivalent to the risk and term of the lease if the implicit interest rate cannot be determined. The current portion of the lease liability to be disclosed separately in the balance sheet is determined by the repayment portion of the lease instalments over the next 12 months.

The initial value of the liability is also the starting point for determining the cost of the right of use. The acquisition cost of the right of use also includes initial direct costs and expected costs arising from an obligation to dismantle the asset, if these do not relate to an item of property, plant and equipment. Prepayments increase the initial value and leasing incentives received reduce the initial value. All rights of use are measured at amortised cost and amortised on a straight-line basis over the shorter of the lease term and the useful life of the identified asset. If events or changes in circumstances indicate that an asset may be impaired, an impairment test is conducted in accordance with IAS 36.

Leases are generally concluded for fixed periods of up to 10 years, but may be extended or terminated. When determining the lease term, all facts and circumstances are taken into account that provide an economic incentive to exercise existing options. The assumed lease term therefore also includes periods covered by renewal and termination options if it is assumed with reasonable certainty that they will or will not be exercised. A change in the term is taken into account if there is a change with regard to the sufficiently certain exercise or non-exercise of an existing option. To ensure entrepreneurial flexibility, extension and termination options are agreed, particularly for property leases. As of Dec. 31, 2020, there are no future cash outflows, which were not included in the lease liability, as it is not sufficiently certain that the leases will be extended (or not terminated).

Contracts can contain both lease and non-lease components. The Group only applies the option for the subsidiary in India not to separate the lease and non-lease components, but to account for the lease as a whole. Variable lease payments are not material and the Group does not provide any residual value guarantees. There are no material leasing arrangements whose use has not yet commenced.

The rights of use recognised in the balance sheet under property, plant and equipment consist of the following:

	Dec. 31, 2020 EUR '000	Dec. 31, 2019 EUR '000
Right of use asset		
Buildings	5,681	7,271
Office equipment	20	26
Total	**5,701**	**7,297**
Additions to right of use assets		
Additions	449	557
Disposals	-288	-1,604
Total	**161**	**-1,047**
Leasing Liability		
Current	1,640	1,767
Non-current	4,480	5,947
Total	**6,120**	**7,714**

Please refer to Note 39.8 with regard to the maturity structure of lease liabilities.

Rights of use amounts recognised in the statement of comprehensive income

	2020 EUR '000	2019 EUR '000
Depreciation & amortisation		
Buildings	1,771	1,937
Cars	0	10
Office equipment	7	12
Total	**1,778**	**1,959**

	2020 EUR '000	2019 EUR '000
Interest expenses		
Interest expenses on leasing liabilities	115	124

	2020 TEUR	2019 TEUR
Practical remedy		
Expenses for short-term leases	0	26
Expenses for low value leases	5	10
Total	**5**	**36**

COVID-19 related rent concessions

In the context of the COVID-19 pandemic, the lessors have made rent concessions in the form of rent deferrals and rent reductions, which only involve changes to the interest and repayment schedule. These relate to contracts with the subsidiary EquityStory RS LLC, Moscow. The associated reduced rental payments are all due before or on Jun. 30, 2021. In accordance with the temporary relief provisions of IFRS 16.46A, these rental concessions were not recognised as modifications and the changes to the rental payments in the amount of €1k were recognised in the income statement as other operating income.

The Group as lessor

Leases in which the Group acts as lessor are classified as finance or operating leases. A lease is classified as a finance lease if the terms and conditions transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operated leases.

The Group enters into leases as lessor only for leased property. For these subleases, the Group acts as an intermediary and accounts for the principal lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease on the basis of the right of use rather than the underlying asset of the main lease.

The subleases are classified exclusively as operating leases and are recognised as rental income on a straightline basis over the term of the respective lease. Initial direct costs for negotiating and agreeing the sublease are not added to the carrying amount of the leased asset for reasons of materiality. Subleases consist exclusively of lease components.

Rental income from subleases of real estate comprises €30k (previous year: €1k) and consists solely of fixed lease payments and payments linked to an index or (interest) rate.

The future minimum lease payments from non-cancellable subleases have the following maturities:

	2020 EUR '000	*2019 EUR '000*
up to 1 year	**36**	**0**

» 23. Financial Assets «

Loans and Receivables measured at Amortised Cost

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*
Loans to foreign Managing Directors and employees in managerial positions	604	671
Deposit	267	297
Purchase price loan	0	2,025
Total	**871**	**2,993**

The loans of €679k were granted to foreign managing directors and employees in managerial positions. They are used to finance the purchase of up to 1% of the shares in the parent in each case. The interest rates are 2%. Repayments must be effected by no later than 2027. The loans have been collateralised.

The purchase price loan to the buyer of ARIVA.DE AG was repaid early in 2020.

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*
Current	138	272
Non-current	733	2,721
Total	**871**	**2,993**

» 24. Other Assets «

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*
Advance payments	**818**	644
Plan assets	**440**	250
VAT	**14**	73
Receivables from health insurance/insurances	**1**	8
Others	**101**	48
Total	**1,374**	**1,023**

The prepayments relate to services rendered after Dec. 31, 2020.

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*
Current	892	749
Non-current	482	274
Total	**1,374**	**1,023**

» 25. Trade Accounts Receivables «

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*
Trade accounts receivables	**4,137**	4,069
Valuation allowances on receivables	**-214**	-304
Total	**3,923**	**3,765**

In principle, a payment target of 21 days is granted. In keeping with practice in the foreign markets, however, this can vary. For trade receivables that are older than 90 days, common practice is to make impairments based on historically documented experiences regarding the counterparty, taking into consideration the counterparty's current financial position.

As in the previous year, there is no customer that represent more than 5% of the aggregate of trade receivables.

Age structure of impaired receivables

EUR '000 Dec. 31, 2020	*Not overdue*			*Overdue in days*			***Total***
	0	***1-22***	***22-30***	***30-60***	***60-180***	***>180***	
Gross carrying amount trade accounts receivables	2,760	703	135	183	182	174	**4,137**
Gross carrying amount contract assets (IFRS 15)	0	0	0	0	0	0	**0**
Default rate (%)	-0.14%	-0.28%	-0.74%	-0.55%	-21.43%	-95.98%	
Expected credit losses over the term	-4	-2	-1	-1	-39	-167	**-214**

EUR '000 Dec. 31, 2019	*Not overdue*			*Overdue in days*			***Total***
	0	***1-22***	***22-30***	***30-60***	***60-180***	***>180***	
Gross carrying amount trade accounts receivables	2,372	803	69	177	288	360	**4,069**
Gross carrying amount contract assets (IFRS 15)	0	0	0	0	0	0	**0**
Default rate (%)	-0.72%	-1.49%	-2.90%	-3.39%	-4.17%	-70.83%	
Expected credit losses over the term	-17	-12	-2	-6	-12	-255	**-304**

Changes in Impairments

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*
Balance at beginning of the year according to IFRS 9	**304**	168
Impairment losses recognised on receivables	**133**	148
Amounts written off during the year as uncollectible	**-224**	-12
Balance at the end of the year	**213**	**304**

When determining the impairment of trade receivables, any change in creditworthiness from granting of the target term to the reporting date is taken into account. There is no significant concentration of the credit risk due to the fact that the customer base is broadly diversified and only a low correlation exists.

» 26. Construction Contracts «

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*
Construction contracts with a debit balance	**463**	114
Already invoiced revenues	**-29**	-2
Advance payment received	**-409**	-36
Total	**25**	**76**

The construction contracts mainly relate to the Group's entitlements to consideration for services neither completed nor settled as of the reporting date from contract manufacturing of IR development services. The amount of the contract assets was not influenced by any impairment as of Dec. 31, 2020.

The contract assets are reclassified into receivables where the rights become unreserved. This is usually the case if the Group issues a final invoice to the customer.

The contract liabilities mainly relate to the down payments received from customers for contract manufacturing of IR development services, for which revenues are generated over a specific period.

The amount of €48k (previous year: €67k) disclosed in the contract liabilities at the beginning of the period was recorded as revenues in the 2020 financial year. The revenue recorded in the 2020 financial year from the performance obligations fulfilled (or partially fulfilled) in previous periods is €137k (previous year: €112k).

As permissible under IFRS 15, no information is provided on the remaining performance obligations as of Dec. 31, 2020 with an expected initial term of one year or less.

» 27. Cash and Cash Equivalents «

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*
Cash in banks	**12,074**	1,184

As of Dec. 31, 2020, the Group had unused credit facilities of €1.54 million (previous year: €226k).

» 28. Issued Capital / Treasury Shares «

The issued capital is as follows:

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*
Ordinary shares at EUR 1.00 each	**7,525**	1,435
Treasury shares	**-7**	-2
Total	**7,518**	**1,433**

The subscribed capital of the company amounts to €7,524,890.00 (previous year: €1,434,978.00) and is fully paid up. It is divided into 7,524,890 (previous year: 1,434,978) registered shares. As of the reporting date, there are 7,361 shares which are openly deducted from the subscribed capital.

By resolution of the Annual General Meeting of Jul. 17, 2020, the company's share capital of €1,434,978.00 was increased in a first step by €5,739,912.00 to €7,174,890.00 in accordance with the provisions of the German Stock Corporation Act (AktG) on capital increases from company funds (Section 207 et seq. AktG), without issuing new shares, by converting a partial amount of €5,739,912.00 of the capital reserves shown in the company's balance sheet as at Dec. 31, 2019 into share capital. As a result, each share accounted for an arithmetical share in the share capital of €5.00 when the capital increase took effect.

After entry of the capital increase resolution in the Commercial Register, the share capital of the company, then amounting to €7,174,890.00, divided into 1,434,978 no-par value shares, was re-divided by means of a share split at a ratio of 1:5. Instead of one no-par value share with a proportionate amount of the share capital of the Company of €5.00, five no-par value shares with a proportionate amount of the share capital of €1.00 per individual no-par value share shall be issued. The share capital is thus divided into 7,174,890 no-par value shares with a nominal value of €1.00 each. The capital increase was entered in the commercial register on Sep. 3, 2020.

The following additional resolutions were adopted by the Annual General Meeting on Jul. 17, 2020:

- Cancellation of the previous Authorised Capital 2018/I
- Creation of a new Authorised Capital 2020/I
- Amendment of Section 3 Share register
- Amendment of Section 4 Share Capital, Authorised Capital
- Amendment of Section 9 Composition of the Supervisory Board
- Amendment of Section 11 Meetings of the Supervisory Board
- Amendment of Section 19 Chairmanship of the General Meeting
- Amendment of Section 20 Adoption of Resolutions
- Amendment of Section 22 Annual Accounts

By resolution of the Annual General Meeting, the Executive Board was authorised, with the consent of the Supervisory Board, to increase the share capital on one or more occasions until Jul. 16, 2025 by a total of up to €3,587,445.00 against cash and/or non-cash contributions (Authorised Capital 2020/I). The Conditional Capital 2018/I now amounts to €3,587,445.00.

Based on this resolution, the share capital was increased by €350,000.00 to €7,524,890.00 and the Articles of Association were amended in Section 4 (Share Capital, Authorised Capital) by resolution of the Supervisory Board on Dec. 4, 2020. The entry in the commercial register was made on Dec. 11, 2020.

The conditional capital increase serves exclusively to grant shares to the holders of convertible bonds and/or bonds with warrants issued by the company or by a 100% direct or indirect affiliated company of the company until May 17, 2023 in accordance with the authorisation of the Annual General Meeting of May 18, 2018. In accordance with the terms and conditions of the convertible bonds, the conditional capital increase also serves to issue shares to holders of convertible bonds with conversion obligations. The conditional capital increase shall only be carried out to the extent that the holders of the convertible bonds and/or bonds with warrants exercise their conversion or option rights or the holders of the convertible bonds with conversion obligations fulfill their conversion obligations and to the extent that treasury shares are not made available to service these rights. The Executive Board was authorised, with the consent of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

In January 2020, 1,595 treasury shares were sold at a price of €67.00 as part of the employee share ownership programme. In June 2020, the remaining 255 treasury shares (€255.00 of the original share capital of €1,434,978.00 = 0.01%) were sold at a market value of between €99.00 and €92.00 at that time.

For the employee share ownership programme (tranche 2019), 7,361 treasury shares (€7,361 of the share capital of €7,524,890.00= 0.098%) were purchased again in December 2020 at a market value of between €25.78 and €27.47. These will be issued to employees as part of the bonus programme in January 2021. As of the balance sheet date, the treasury stock amounted to 7,361 shares. The effect for the financial year from the repurchase and sale of treasury shares is shown in the capital reserve.

» 29. Capital Surplus «

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*
As of January 1	**17,899**	17,955
Capital increase	**3,010**	0
Share-based compensation	**132**	126
Sale of treasury shares	**-165**	-272
Other comprehensive income	**-209**	90 *
Total	**20,667**	**17,899 ***

* Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes

» 30. Share-Based Payment «

Description of the Share-Based Payment Agreement

The Group has set up two share participation programmes for employees. Pursuant to the resolution, bonus shares are granted to participants when certain prerequisites are met. The bonus shares are issued to any employees of EQS Group AG and its subsidiaries who acquire EQS shares over a period of a maximum of 12 months as a personal investment as part of the participation programme and do not dispose of them within the investment period and for a holding period of 12 to 24 months afterwards. Students, interns and management board members are not eligible for participation. The personal acquisition of each individual share entitles the participant to obtain another EQS share at a 1:1 ratio in accordance with the plan terms. The personally acquired and the granted shares are kept in a bank deposit for the entire term. Where the plan terms are met in full at the end of the holding period, the bonus shares are distributed to the participants.

Fair Value of the Bonus Shares

The fair value of the employee share programme was determined under the Monte Carlo simulation.

The following parameters were used to determine the grant-date fair values of the share-based payment plans with compensation by equity instruments:

Savings plan 1

	Grant date Jan. 1, 2020	*Grant date Jan. 1, 2019*
Fair value at grant date	62.00	68.50
Expected volatility (%)	31.00	45.00
Expected life (years)	2.00	2.00
Expected dividend (EUR)	0.00	0.00
Risk-free interest rate (%)	0.00	-0.58

Savings plan 2

	Grant date Jan. 1, 2020	*Grant date Jan. 1, 2019*
Fair value at grant date	62.00	-
Expected volatility (%)	41.00	-
Expected life (years)	3.00	-
Expected dividend (EUR)	0.00	-
Risk-free interest rate (%)	0.00	-

The expected volatility is based on an assessment of the historic volatility of the company's share price, especially in the period corresponding to the expected term.

Reconciliation of the Outstanding Bonus Shares

The number of bonus shares develops as follows:

	Number 2020	*Number 2019*
Outstanding as of Jan. 1	**5,391**	5,070
Agreed during the year	**1,595**	1,921
Confirmed during the year	**17,111**	2,242
Outstanding as of Dec. 31	**20,907**	5,391
Exercisable as of Dec. 31	**0**	0

Expenses Recorded in Profit or Loss

The impact in the net profit or loss for the period and in the capital surplus is €133k (previous year: €140k).

» 31. Retained Earnings «

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*	
As of January 1	**5,610**	7,394	*
Purchase of minority interests	**0**	0	
Costs capital increase	**-14**	0	
Adjustment of profit carried forward subsidiaries	**-24**	0	
Deconsolidation subsidiary ARIVA.DE AG	**0**	-212	
Group net income attributable to the owner	**-866**	-1,572	*
Total	**4,706**	**5,610**	*

* Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes

» 32. Currency Translation «

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*	
As of January 1	269	279	*
Currency translations	-216	-10	
Total	**53**	**269**	*

* Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes

» 33. Non-Controlling Interests «

	Dec. 31, 2020 EUR '000	Dec. 31, 2019 EUR '000
As of January 1	-35	419
Acquisition of non-controlling interests	0	4
Comprehensive income	35	-121 *
Transactions with non-controlling shareholders	0	0
Deconsolidation with not-controlling shareholders	0	-337
Total	0	-35 *

* Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes

With effect from Jul. 1, 2019, all shares in ARIVA.DE AG were sold, resulting in a reduction of the minority interest.

A new minority interest of 17.5% in EQS Blockchain Media GmbH was established in the 2019 financial year.

The share of consolidated result attributable to the non-controlling interests is €35k (previous year: €-121k*).

» 34. Provisions «

	As of Jan. 1, 2020 EUR '000	Consumption 2020 EUR '000	Reversal 2020 EUR '000	Additions 2020 EUR '000	Compounding/ Discounting 2020 EUR '000	Currency translation 2020 EUR '000	**As of Dec. 31, 2020 EUR '000**
Pension obligation	481	0	-1	426	0	-8	898 *
Storage of business documents	14	0	0	0	0	0	14
Dismantling obligation	142	0	0	0	2	0	144
Bonuses/commissions	697	-278	-34	450	0	-15	820
Outstanding invoices	219	-201	-16	925	0	-5	922
Employer's liability insurance association	64	-64	-1	70	0	0	69
Annual/consolidated financial statements fees	88	-86	-1	74	0	-3	72
Annual/consolidated financial statements audit fees	112	-112	0	102	0	0	102
Total	**1,817**	**-741**	**-53**	**2,047**	**2**	**-31**	**3,041 ***

	Dec. 31, 2020 EUR '000	Dec. 31, 2019 EUR '000
Current	**1,990**	1,181 *
Non-current	**1,051**	636 *
Total	**3,041**	**1,817 ***

* Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes

Retention of Business Documents

The provision was formed due to the legal obligation to retain business documents which provides for a retention period of up to 10 years.

Office Premises Dismantling Obligation

The dismantling obligation results from the relocation of the parent's business premises and the associated change in the expenses for the dismantling measures.

Defined benefit plans

The Group has defined benefit pension plans in Switzerland, India and France.

Employers' Liability Insurance Association

The provision was estimated based on the previous year's contribution assessment notice incl. the changes in the workforce and in the salary structure for the reporting year.

Bonuses / Emoluments / Commissions

This relates to the bonus or emolument/commission payments for the current employees. The bonuses are disbursed with the salary statement for April. The decision in favour of the bonus payments is the responsibility of the management board. The bonuses for the management board members are approved by the supervisory board.

Outstanding Invoices

The expenditure not yet invoiced for services received in the period under review was estimated and posted into a provision to ensure that the expenditure of the financial year can be properly deferred.

Compilation & Audit Costs for Annual & Consolidated Financial Statements

This relates to the anticipated fee for the compiler of the financial statements and for the auditor for the compilation/audit of the annual and consolidated financial statements as of Dec. 31, 2020.

» 35. Financial Liabilities «

	Dec. 31, 2020 EUR '000	Dec. 31, 2019 EUR '000
Unsecured - at amortised cost		
Current account credit / Credit card statements	**22**	1,337
Other loans	**132**	1,250
Loans from banks	**4,582**	4,301
Debtors' credit balances	**51**	52
Trade account payable	**1,651**	1,847
	6,438	**8,787**
Secured - at amortised cost		
Deposit	**10**	0
Leasing liabilities	6,120	7,714
	6,130	**7,714**
Total	**12,568**	**16,501**

	Dec. 31, 2020 EUR '000	Dec. 31, 2019 EUR '000
Current	**4,927**	9,020
Non-current	**7,641**	7,481
Total	**12,568**	**16,501**

The credit card statements are the amounts not yet debited as of the balance sheet date of Dec. 31, 2020.

The bank credits are fixed, interest bearing loans obtained from credit institutions with maximum terms of 5 years (previous year: 5 years). The credits' weighted average effective interest yield is 2.03% p. a. (previous year: 2.14% p. a.).

Reconciliation pursuant to IAS 7:

			non-cash changes			
	Dec. 31, 2019 EUR '000	*Cash changes EUR '000*	*Acquisitions EUR '000*	*Currency trans-lations EUR '000*	*Fair value ad-justments EUR '000*	*Dec. 31, 2020 EUR '000*
Non-current loans	1,530	1,620	0	0	0	3,150
Current loans	4,104	-2,651	0	0	0	1,453
	5,634	**-1,031**	**0**	**0**	**0**	**4,603**

» 36. Trade Account Payable «

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*
Trade account payable	**1,651**	1,800
Advanced payments received on account of contruction contracts	**0**	47
Total	**1,651**	**1,847**

Trade account payables do not bear interest and are generally due within 30 days on average.

» 37. Liabilities from PoC «

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*
Liabilities from PoC	**109**	0

» 38. Other Liabilities «

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*
VAT	**147**	320
Tax on wages	**409**	305
Advance payment from customers	**4,501**	3,376
Vacation	**114**	161
Personnel costs/Travel expenses	**126**	117 *
Supervisory board	**0**	36
Others	**1**	0
Total	**5,298**	**4,315 ***

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*
Current	**5,298**	4,315 *
Non-current	**0**	0
Total	**5,298**	**4,315 ***

* Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes

ADDITIONAL REPORTING COMPONENTS

» 39. Further Information on Financial Instruments «

39.1 Capital Risk Management

The Group controls its capital to ensure that all Group companies are able to operate under the going-concern forecast while maximising the income of the company investors by optimising the debt-to-equity ratio. The Group's overall strategy has remained unchanged compared to the previous year.

The Group's capital structure consists of net debt (borrowings less cash and bank balances) and the Group's equity. This consists of issued shares, capital reserves, retained earnings, foreign currency differences and non-controlling interests.

The Group is not subject to any externally imposed capital requirements.

The management board monitors its capital using a leverage, the net financial liabilities to total from equity and net financial liabilities ratio. The net financial liabilities comprise interest-bearing loans, trade receivables plus other liabilities and minus cash. The equity includes equity attributable to the parent's stock-holders.

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*	
Financial liabilities	**12,568**	16,501	
Liabilities for income taxes and other non-current and current liabilities	**7,980**	6,467	*
Cash	**-12,074**	-1,184	
Net debt	**8,474**	**21,785**	*
Equity	**32,944**	25,177	*
Equity and net debt	**41,418**	**46,962**	*
Net debt to equity ratio	**20.5%**	46.4%	*

* Prior-year figures adjusted. We refer to Point 2. "Significant accounting and valuation methods" (2.4 Changes in the previous year's figures) in the notes

39.2 Categories of Financial Instruments

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*
Financial assets		
Valuated at amortised cost:		
-Cash and bank balances	**12,074**	1,184
-Trade receivables	**3,923**	3,765
-Loans and receivables	**871**	2,993
Financial liabilities		
Valuated at amortised cost:		
Overdrafts / credit card bills	**22**	1,337
Other Loans	**132**	1,250
Loans from banks	**4,582**	4,301
Debtors with credit balance	**51**	52
Trade account payable	**1,651**	1,847
Deposit	**10**	0
Liabilities from finance lease	**6,120**	7,714

The net profit from financial assets measured at amortised cost is €90k (previous year: €121k).

39.3 Financial Risks Management Objectives

The parent's finance department coordinates the access to national and international finance markets for the whole Group. Financing is organised by the parent. Besides, the finance department monitors and controls the financial risks associated with the Group's divisions together with the management board by constantly discussing the liquidity, exchange rate, payment default, interest and price risks. In particular, weekly reports on outstanding receivables, short-term and long-term liquidity plans and estimates for exchange rate development by mandated banks are used for this.

39.4 Market Risk

The market risk is the risk that a financial instrument's fair value or future cash flows fluctuate(s) as a result of changes in the market prices. The market risk includes the following three types of risk: exchange rate risk, interest rate risk and other price risks, such as the share price risk. Financial instruments exposed to the market risk include, amongst others and interest-bearing loans.

Each of the sensitivity analyses in the following paragraphs relates to the status as of Dec. 31, 2020 or Dec. 31, 2019.

The sensitivity analyses were prepared under the premise that net debt, the ratio of fixed to variable interest on debt and the share of financial instruments in foreign currencies remain constant.

39.5 Exchange Rate Risk Management

Some transaction in the Group are denominated in foreign currency. This results in risks from exchange rate fluctuations. Translation-related risk from the inclusion of foreign subsidiaries into the consolidated financial statement (translation risks) remain unconsidered.

There are currently no safeguards used to hedge the currency risk.

The carrying amount of the Group's monetary assets and liabilities denominated in foreign currency on the reporting date are as follows:

	Liabilities		*Assets*	
	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*	*Dec. 31, 2020 EUR '000*	*Dec. 31, 2019 EUR '000*
CHF	3,272	2,397	716	434
GBP	408	543	440	333
HKD	539	530	656	376
RUB	237	357	732	736
USD	393	211	250	168
INR	872	1,207	322	249

Foreign Currency Sensitivity Analysis

The Group is mainly exposed to the exchange rate risk of the foreign currencies indicated in the table above.

The following table illustrates the Group's view of the sensitivity of a 10% increase or decrease in the euro against the respective foreign currency. The 10% change is the value applied as part of the internal reporting of the exchange rate risk to the management board and depicts the estimation of the management board regarding a reasonable potential change in the exchange rate. The sensitivity analysis solely includes outstanding monetary items denominated in foreign currency and adapts their translation as of the end of the period pursuant to a 10% change in the exchange rates. The sensitivity analysis includes external loans if the loan is denominated in a currency other than the functional currency of the lender or borrower. If a figure specified below is positive, this indicates an increase in the annual result or in equity if the euro increases by 10% against the respective currency. If the euro decreased by 10% against the respective currency, this has a comparable impact on the annual result or equity, with the items below being negative.

	Group earnings		*Equity*	
	2020 EUR '000	*2019 EUR '000*	*Dec. 31, 2020 EUR '000*	*Dec. 31, 2019 EUR '000*
Impact CHF	-1	-	232	178
Impact GBP	-	-	-3	19
Impact HKD	-25	-	-11	14
Impact RUB	-1	-	-45	-34
Impact USD	-2	-	13	4
Impact INR	-	-	50	87

From the point of view of the management board, the sensitivity analysis does not depict the actual foreign exchange risk, since the risk as of the end of the period under review does not reflect the risk during the year.

39.6 Interest Risk Management

The interest risk is the risk that a financial instrument's fair value or future cash flows fluctuate(s) as a result of changes in the market interest rates. On the balance sheet date, there are no risks for the long-term loans, since they have a firmly guaranteed interest rate of 1.20% - 2.00% over the remaining term (up to max. 3 years). There is also no significant fair value risk as a result of the short term. Besides this, only short-term overdraft facilities are used, if at all, which do not entail an interest rate risk.

39.7 Default Risk Management

Default risk is the risk of a loss for the Group where a contracting party fails to meet its contractual obligations. The Group anticipates to enter into business relationships only with creditworthy contracting parties and, if appropriate, by providing collaterals to reduce the risks of a loss from the non-fulfillment of obligations. The Group only enters into business relationships with solvent companies.

The Group applies the simplified approach under IFRS 9 to measure expected credit losses; accordingly, expected credit losses over the term of all trade receivables and contract assets are applied.

To measure expected credit losses, trade receivables and contract assets were combined on the basis of common credit risk characteristics and days past due. Contract assets relate to work in progress that has not yet been invoiced, and essentially have the same risk characteristics as trade receivables for the same types of contract. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

The expected loss rates are based on the payment profiles of revenues over a period of 12 months prior to Dec. 31, 2020 and the corresponding historical defaults in this period. Historical loss rates are adjusted to reflect current and forward-looking information about macroeconomic factors affecting the ability of customers to repay their loans and advances. The Group has identified the IMF Real GDP Growth (International Monetary Funds Gross domestic product) as the most relevant factor and adjusts the historical loss ratios based on expected changes in this factor.

Outstanding receivables from customers are monitored regularly, so that the Group is not exposed to any significant default risk. In the case of foreign customers, business transactions in the parent company are increasingly handled on the basis of advance payment.

The Group is not exposed to substantial default risks (> 5% of the total receivables volume) of a contracting party.

The default risk from liquid funds is low, since the contracting parties are banks with excellent credit ratings by international credit rating agencies.

The Group does not have collaterals or other credit improvement measures likely to reduce the default risk from financial assets.

39.8 Liquidity Risk Management

In the final analysis, the responsibility for liquidity risk management lies with the management board, who set up a reasonable concept to manage the short-, medium- and long-term financing and liquidity requirements. The Group manages its liquidity risks by holding appropriate reserves, credit lines with banks and further facilities, constantly monitoring the forecast and actual cash flows and coordinating the maturity profiles of financial assets and liabilities. Furthermore, there are additional, unused credit lines available to the Group to reduce liquidity risks even further.

The tables below illustrate the contractual remaining terms of the Group's non-derivative financial liabilities. The tables are grounded on undiscounted cash flows of financial liabilities based on the earliest day on which the Group can be obliged to pay. The table contains payments of both interest and principal. The contractual maturities are based on the earliest possible date on which the Group can be obliged to pay.

Financial year as of Dec. 31, 2020	*Weighted average effective interest %*	*Less than 1 month EUR '000*	*1-3 months EUR '000*	*4-12 months EUR '000*	*1-5 years EUR '000*	*more than 5 years EUR '000*	*total amount EUR '000*	***Carrying amount EUR '000***
Non-interest bearing	-	1,718	0	0	0	0	1,718	**1,718**
Liability from leasing liabilities	-	146	291	1,298	4,504	100	6,339	**6,120**
Fixed interest rate instru-ments	2.03	24	130	1,336	3,186	0	4,676	**4,581**
Total		**1,888**	**421**	**2,634**	**7,690**	**100**	**12,733**	**12,419**

Financial year as of Dec. 31, 2019	*Weighted average effective interest %*	*Less than 1 month EUR '000*	*1-3 months EUR '000*	*4-12 months EUR '000*	*1-5 years EUR '000*	*more than 5 years EUR '000*	*total amount EUR '000*	***Carrying amount EUR '000***
Non-interest bearing	-	1,912	0	0	0	0	1,912	**1,912**
Liability from leasing liabilities	-	156	312	1,404	5,725	493	8,090	**7,714**
Fixed interest rate instru-ments	2.14	0	218	4,165	2,609	0	6,992	**6,875**
Total		**2,068**	**530**	**5,569**	**8,334**	**493**	**16,994**	**16,501**

The Group can avail of credit lines, as described in Note 27. As of the end of the period under review, they are unused in an amount of €1.54 million (previous year: €226k). The Group expects to be able to meet its other obligations by operating cash flows and received revenues upon maturity of financial assets.

39.9 Measurements at Fair Value

There were no financial assets and liabilities of the Group that were measured at fair value on the balance sheet date, neither on the reporting date nor in the previous year.

» 40. Cash and Cash Equivalents «

For consolidated cash flow statement purposes, the cash and cash equivalents comprise cash on hand and balances on bank accounts. The cash and cash equivalents at the end of the financial year, as illustrated in the consolidated cash flow statement, can be reconciled to the associated items in the consolidated balance sheet accordingly.

» 41. Transactions with Related Parties «

Balances and transactions between the entity and its subsidiaries as related parties were eliminated in the course of consolidation and are not explained in this Note. Details on transactions between the Group and other related parties can be found below.

Sales and purchases of related parties are effected at usual market terms. The related parties include the management board, supervisory board members and immediate family members of such persons.

Trading Operations

These were not available as at the reporting date or the previous year.

Services

		Sale of services		*Purchase of services*
	2020 EUR '000	*2019 EUR '000*	*2020 EUR '000*	*2019 EUR '000*
Related parties/institutions	-	-	162	190
Related parties/institutions from subsidiaries	-	-	-	-

		Receivables due from related parties		*Liabilities towards related parties*
	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*	*Dec. 31, 2020 EUR '000*	*Dec. 31, 2019 EUR '000*
Related parties/institutions	-	-	162	143
Related parties/institutions from subsidiaries	-	-	-	-

This includes €150k (previous year: €150k) for Supervisory Board remuneration.

Dividends and Interest

	Dividends and interest	
	2020 EUR '000	*2019 EUR '000*
Related parties/institutions	33	51
Related parties/institutions from subsidiaries	-	-

These are interest expenses for the shareholder loan from Robert Wirth, which was repaid full in 2020.

Loans to Related Parties

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*
Loan receivable related parties/institutions from subsidiaries	559	274

As of the balance sheet date, a loan receivable of €256k was due from the Management Board member André Silvério Marques for the purchase of 59,500 shares (11,900 before share split) of EQS Group AG with a term until Apr. 30, 2022. The loan carries an interest rate of 2%.

Further loans in the amount of €303k exist against executive employees as of the balance sheet date. They are mainly used for the acquisition of shares in EQS Group AG as part of a participation program for executives and bear interest at 2%.

Loans payable to Related Parties / institutions from subsidiaries

	Dec. 31, 2020 EUR '000	*Dec. 31, 2019 EUR '000*
Loan payable to related parties/institutions from subsidiaries	-	1,250

The shareholder loan from Robert Wirth was repaid in full in 2020.

Emoluments of Key Employees

The remuneration of the Management Board in the 2020 financial year amounted to €1.49 million (previous year: €1.41 million), of which €160k (previous year: €138k) was variable. Of the total remuneration, €116k (previous year: €110k) is attributable to defined contribution plans to provident funds and €19k (previous year: €2k) to insurance policies.

» 42. List of Shareholdings pursuant to Section 313 (2) German Commercial Code«

Name	Headquarter	Share in equity Dec. 31, 2020
Direct Participation		
EQS Financial Markets & Media GmbH*	Munich, Germany	100.00%
EquityStory RS, LLC	Moscow, Russia	100.00%
EQS GROUP AG	Zurich, Switzerland	100.00%
EQS Asia Limited	Hong Kong	100.00%
EQS Web Technologies Pvt. Ltd.	Cochi, India	99.96%
EQS Group Ltd.	London, Great Britain	100.00%
EQS Group Inc.	New York, USA	100.00%
EQS Group SAS	Paris, France	100.00%
Indirect Participation		
EQS TodayIR Limited**	Hong Kong	100.00%
EQS Group (Shenzhen) Ltd.**	Shenzhen, China	100.00%
TodayIR Holdings Limited (Taiwan)**	Hong Kong	100.00%
EQS Digital IR Pte. Ltd. **	Singapore	100.00%
EQS Blockchain Media GmbH***	Munich, Germany	87.50%

* Profit and loss transfer agreement
** Indirect participation via EQS Asia Limited
*** Indirect participation via EQS Financial Markets & Media GmbH

The fully consolidated company EQS Financial Markets & Media GmbH, registered office: Munich, HRB 199404 (formerly financial.de Aktiengesellschaft, registered office: Munich, HRB 170868) makes use of the exemption in accordance with Section 264 (3) of the German Commercial Code to prepare full annual financial statements and a management report in accordance with the provisions for corporations pursuant to Sections 264 et seq. German Commercial Code, to have them audited and to publish them.

» 43. Employees «

	Development	Marketing/ Sales	Data Services	Management/ Administration	Design/ Content	Newsroom/ ERS-System	Total
Dec. 31, 2020	**179**	**81**	**52**	**57**	**36**	**9**	**414**
Dec. 31, 2019	167	58	41	39	42	6	**353**

» 44. Auditor's fee for the Consolidated Financial Statement «

For the 2020 financial year, fees for the auditor totalling €104k (previous year: €62k) were recognised. Of this amount, €93k (previous year: €62k) was for auditing services and €11k (previous year: € 0) for other services. Furthermore, expenses for auditing services of the previous year in the amount of €30k were recognised in the 2020 financial year.

» 45. Entity Bodies «

The **management board** had the following members in the financial year:

- Achim Weick, Graduate Merchant, CEO, Munich
- Christian Pfleger, Graduate Merchant, COO, Munich
- André Silvério Marques, Graduate Merchant, MBA, CFO, Munich
- Marcus Sultzer, Graduate Business Manager (BA), MBA, CRO, Pullach i. Isartal

The **supervisory board** had the following members in the financial year:

- Rony Vogel, Graduate Engineer and MBA, Entrepreneur and Investor, Munich (Chairman)
- Robert Wirth, Graduate Media Marketing Business Managem. Specialist BAW, Investor, Amberg
- Peter Conzatti, M.A. and MBA, Funds Manager, Bad Homburg
- Laurenz Nienaber, M.Sc. Investor and Managing Director of LMN Capital GmbH

» 46. Events After the Balance Sheet Date «

Although it is difficult to assess the impact, the Coronavirus is likely to affect the global economy on both the demand and supply side. Nevertheless, no significant effects on the business of EQS Group are currently expected.

With a purchase agreement dated Nov. 30, 2020 and effective from January 2021, 100% of the shares in Got Ethics A/S, Copenhagen were acquired. Got Ethics A/S was founded in 2010 and is a SaaS provider for whistleblowing. The acquisition has not yet been recognised in the consolidated financial statements as at Dec. 31, 2020. The initial consolidation will take place in the first quarter of 2021.

Also in 2020, with effect from 2021, 23% of the shares in the policy management provider C2S2 GmbH, based in Bonn, were acquired. The acquisition has not yet been recognised in the consolidated financial statements as at Dec. 31, 2020.

On Feb. 17, 2021, the Management Board, with the approval of the Supervisory Board, resolved to implement a capital increase from authorized capital (2020/I). Based on this resolution, the capital stock was increased by 357,361 new registered no-par value shares by €357,361.00 to €7,882,251.00. By resolution of the Supervisory Board on Feb. 17, 2021, the Articles of Association were amended in Section 4 (Share Capital, Authorized Capital). The entry in the commercial register was made on Mar. 2, 2021.

» 47. Approval of the Financial Statement «

The management board approved and released the financial statement for publication on March 25, 2021.

Munich, March 25, 2021

Achim Weick
(Founder and CEO)

Christian Pfleger
(COO)

André Silvério Marques
(CFO)

Marcus Sultzer
(CRO)

» Financial Calendar of EQS Group AG «

May 11, 2021	Stifel SMID Cap Forum
May 14, 2021	Annual General Meeting 2021
May 14, 2021	Publication Quarterly Statement Q1
May 17 – 19, 2021	Spring Conference
June 10, 2021	Quirin Champions Conference
August 13, 2021	Publication half-yearly financial statements
September 20 – 24, 2021	Baader Investment Conference
November 12, 2021	Publication Quarterly Statement Q3
November 22 – 24, 2021	Equity Forum
December 7 - 8, 2021	mkk – Münchner Kapitalmarkt Konferenz

» Stock exchange data of EQS Group AG «

Share	**EQS Group AG**
WKN	**549416**
ISIN	**DE0005494165**
Ticker Symbol	**EQS**
Type of Shares	**Ordinary shares**
Sector	**RegTech**
Initial listing	**June 8, 2006**
Stock Exchange Listing	**Open Market, Frankfurter Wertpapierbörse m:access, Börse München**
Market segment	**Scale**
Company headquarter	**Munich**
Number of Shares	**7,882,251 Units**
Amount of Nominal Capital	**7,882,251 Euro**
Designated Sponsor	**Baader Bank AG, Unterschleißheim**

The official version of the EQS Group annual report is in German. The English translation is provided as a convenience to our shareholders. While we strive to provide an accurate and readable version of our report in English, the technical nature of a report often yields awkward phrases and sentences. We understand this can cause confusion. So, please always refer to the German report for the authoritative version.

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Amtsgericht Munich

Register number:
HRB 131048

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DE208208257

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