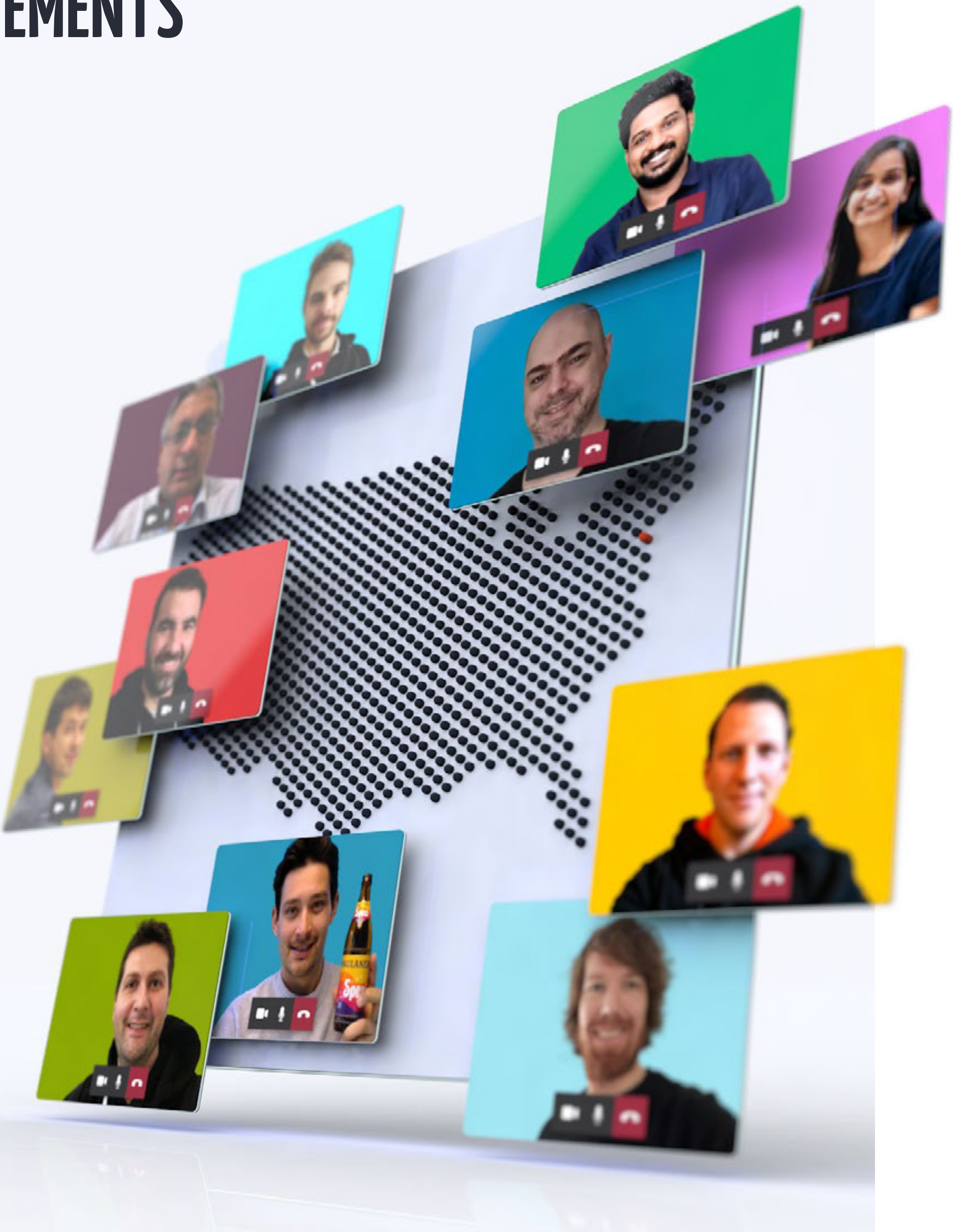
CONSOLIDATED FINANCIAL STATEMENTS



» 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 «

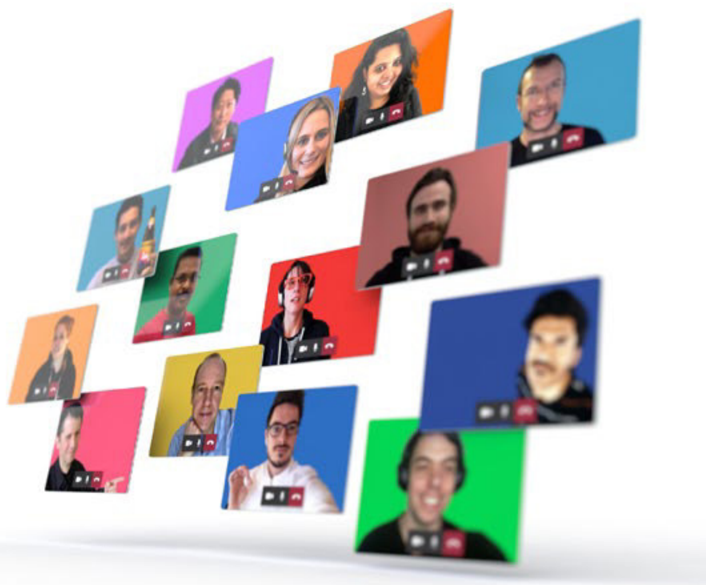
		FY 2020 EUR '000	FY 2019 EUR '000
	Group earnings	**-832**	-1,693 *
+	Income taxes	**599**	610 *
+	Interest expenses	**299**	351 *
-	Interest income	**-109**	-80
+/-	Loss/profit on disposals of property, plant and equipment	**1**	-1
-	Profit from the disposal of consolidated companies	**0**	-2,267
+/-	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 «

General Information

» 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.

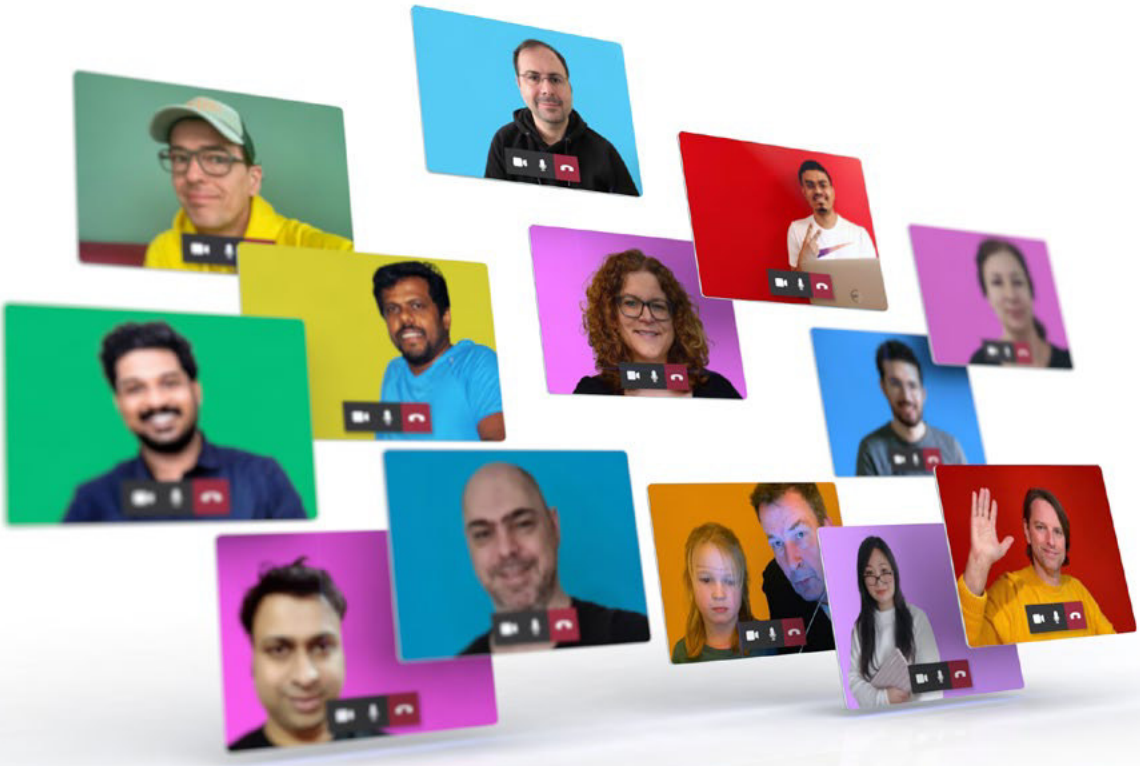
To compile the consolidated financial statement, the assets and liabilities of the Group's foreign businesses are translated into euros using the exchange rates applicable on the date of the financial statement, except for the equity, which is translated using historical rates. Income and expenses are 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.

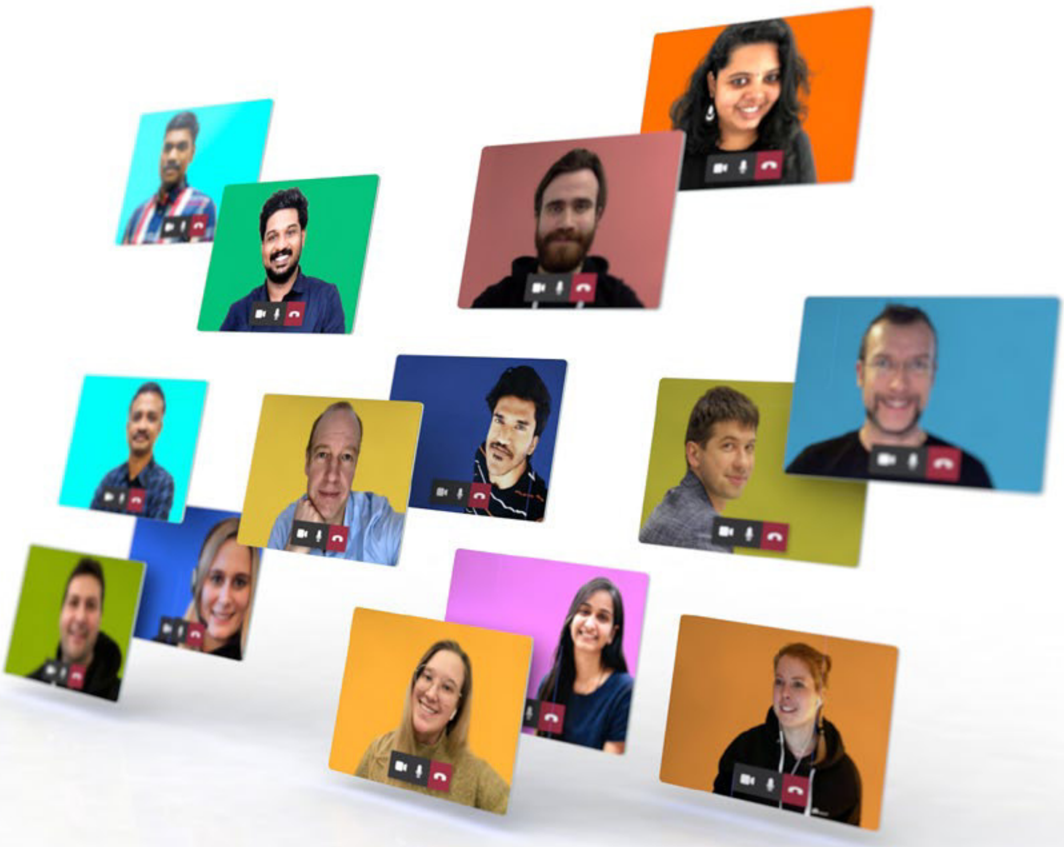
Deferred tax assets arising from temporary differences in connection with interests in subsidiaries are recorded only to the extent that it is likely that sufficient taxable income is available to use the claims from the temporary differences. Moreover, it must be possible to assume that such temporary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

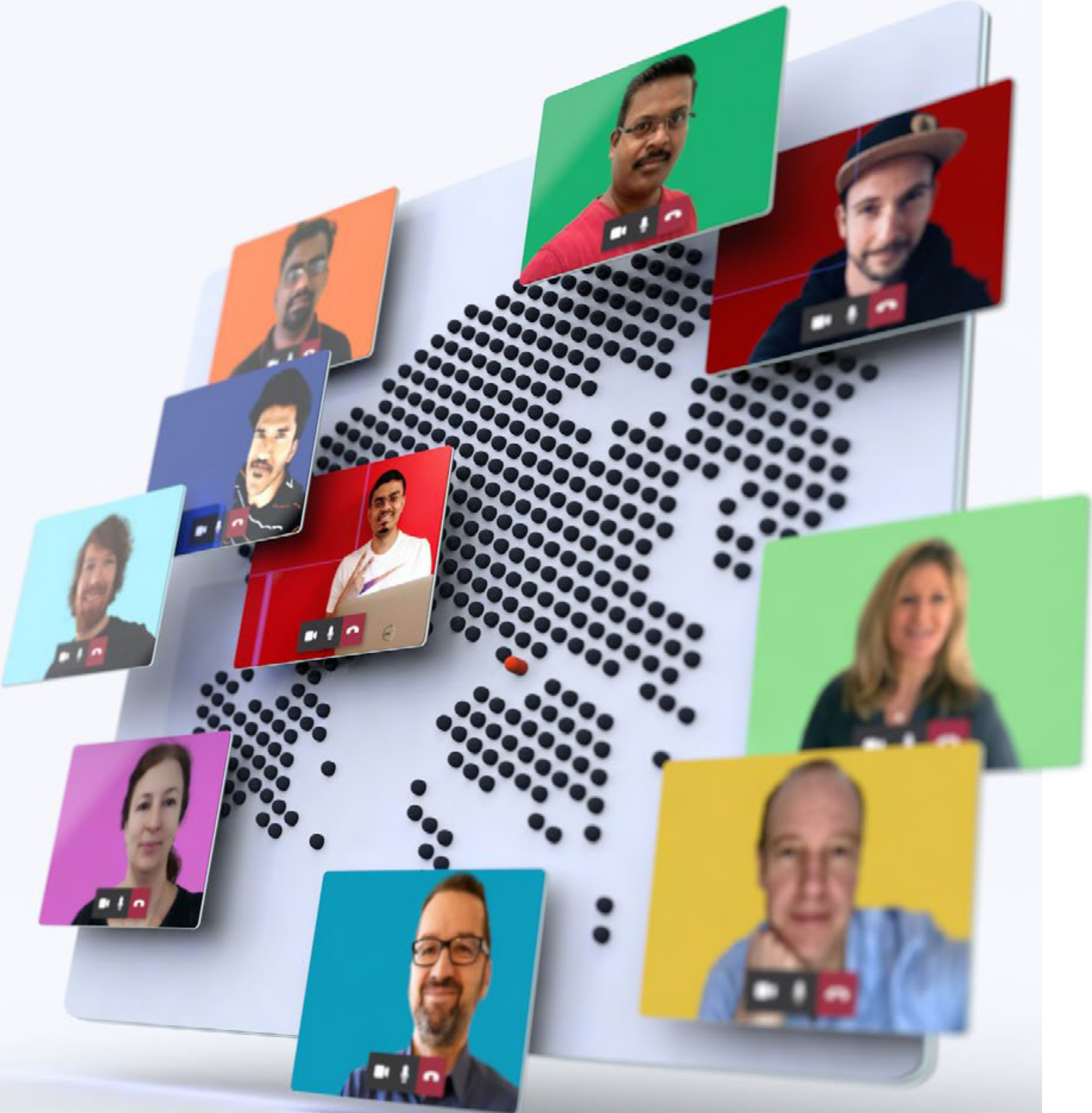
FY 2019	*Compliance EUR '000*	*Investor Relations EUR '000*	*Group EUR '000*
Revenues			
Cloud-Products	9,332	5,286	14,618
Service-Products	8,535	8,717	17,252
Discontinued operation (ARIVA.DE AG)	1,425	2,072	3,497
Total revenues	**19,292**	**16,075**	**35,367**
Other income	261	217	478
Own cost capitalised	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	2019
	EUR '000	*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	2019	
	EUR '000	*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	2019
	EUR '000	EUR '000
Other loans and recaivables	**109**	79

» 14. Interest Expenses «

	2020	2019	
	EUR '000	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.

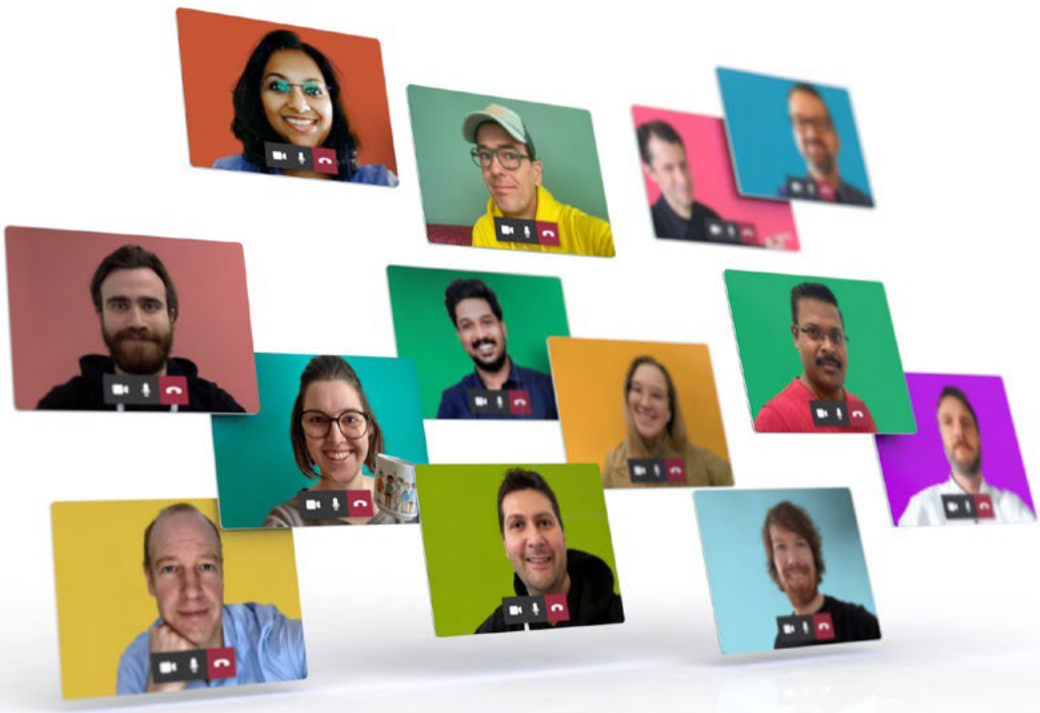
» 15. Other Financial Income «

	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 EUR '000	2019 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:

CGU	*Assumption*	*Parameter*	*Change the parameters to:*	*(cumulative) effect on the carrying amount*
EQS Group AG Investor Relations	Growth in the perpetuity	1%	0% (-1 percentage point)	€1.98 million
	pre-tax cost of capital (pre-tax WACC)	6.60%	7.60% (+1 percentage point)	

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 stockholders.

	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 instruments	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 instruments	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**

Register court:
Amtsgericht Munich

Register number:
HRB 131048

Tax Identification Number in accordance with Section 27a Umsatzsteuergesetz
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