FINANCIAL STATEMENTS

Consolidated comprehensive income statement from Jan.1 to Dec. 31, 2021

	Appendix	***FY 2021 EUR '000***	*FY 2020 EUR '000*
Continuing Operations			
Revenues	3	**50,223**	37,636
Other income	4.1	**363**	414 *
Own cost capitalised	4.2	**2,241**	1,671
Cost of Services	4.3	**-7,425**	-7,265
Personnel expenses	4.4	**-31,693**	-20,847
Other expenses	4.5	**-11,258**	-6,537 *
Expenses/income from valuation allowance for trade receivables	10.2.2	**-710**	-312 *
EBITDA		**1,742**	**4,760**
Depreciation & amortisation	6.1|6.2	**-7,138**	-4,597
Operating result (EBIT)		**-5,397**	**163**
Interest income	4.7	**870**	299 *
Interest expenses	4.7	**-2,332**	-695 *
Net Financial Result	4.7	**-1,461**	-396
Profit before tax (EBT)		**-6,858**	-233
Income taxes	4.8	**229**	-599
Group net income		**-6,629**	**-832**
- thereof attributable to the owner of the company		**-6,629**	-866
- thereof attributable to non-controlling interests		**-**	34
Items that will be reclassified to the consolidated statement of comprehensive income in the future under certain conditions:			
Currency translations	7.4	**55**	-216
Revaluation IAS 19	6.8.2|7.4	**99**	-209
Other comprehensive income		**154**	-424
Comprehensive income		**-6,476**	-1,256
- thereof attributable to the owner of the company		**-6,476**	-1,290
- thereof attributable to non-controlling interests		**-**	34
Earnings per share attributable to shareholders of the parent company (basic and diluted)	4.9	**-0.81**	-0.12

*Previous year figures adjusted. Please refer to section 20.1.4 Presentation amendments and reclassifications

Consolidated balance sheet as of Dec. 31, 2021

Non-current assets

	Appendix	Dec. 31, 2021 EUR '000	Dec. 31, 2020 EUR '000
Non-current assets			
Intangible assets	6.1	**63,675**	14,118
Goodwill	6.1	**96,711**	16,898
Property, plant and equipments	6.2|6.3	**7,351**	7,216
Long-term financial assets	5.2	**685**	733
Other long-term assets	6.5	**46**	42 *
		168,468	39,007
Current assets			
Trade accounts receivables	5.1	**7,018**	3,923
Construction contracts	3.3	**78**	26
Tax refund claims		**278**	32
Current financial assets	5.2	**434**	138
Other current assets	6.5	**1,907**	893
Cash and cash equivalents	5.3	**8,653**	12,074
		18,369	17,086
Total assets		**186,837**	**56,093**

*Previous year figures adjusted. Please refer to section 20.1.4 Presentation amendments and reclassifications.

Equity

	Appendix	Dec. 31,2021 EUR '000	Dec. 31,2020 EUR '000
Equity			
Issued capital	7.1	**8,659**	7,525
Treasury shares	7.1	**-11**	-7
Capital surplus	7.2	**63,140**	20,891 *
Retained earnings	7.3	**-1,532**	4,706
Other Reserves	7.4	**-17**	-171 *
Non-controlling interests	7.5	**-**	-
		70,240	32,944
Non-current liabilities			
Long-term employee benefits	6.8	**733**	453 *
Non-current provisions	6.7	**159**	158 *
Non-current financial liabilities	5.4|5.5	**9,927**	7,641
Deferred tax liabilities	6.4	**16,607**	2,516
		27,426	10,768
Current liabilities			
Current provisions	6.7	**33**	109 *
Trade account payable	5.4	**3,197**	2,747 *
Liabilities from percentage-of-completion	3.4	**9,978**	4,501 *
Current financial liabilities	5.4	**73,095**	3,278 *
Income tax liabilities		**214**	56
Short-term employee benefits	6.8	**1,494**	1,063 *
Other current liabilities	6.6	**1,161**	627 *
		89,171	12,381
Total equity and liabilities		**186,837**	**56,093**

*Previous year figures adjusted. Please refer to section 20.1.4 Presentation amendments and reclassifications.

Consolidated statement of changes in equity from Jan. 1 to Dec. 31, 2021

	Appendix	Issued capital EUR '000	Treasury shares EUR '000	Capital surplus* EUR '000	Retained earnings EUR '000	Other Reserves* EUR '000	Total EUR '000	Non-controlling interests EUR '000	Total equity EUR '000
As of Jan. 1, 2020		**1,435**	**-2**	**17,899**	**5,610**	**269**	**25,211**	**-35**	**25,176**
Reclassification	20.1.4	-	-	15	-	-15	-	-	-
Capital increase	7.1|7.2	6,090	-	3,010	-14	-	9,086	-	9,086
Change of treasury shares	7.1|7.2	-	-5	-165	-	-	-170	-	-170
Share-based payment for employees	14	-	-	132	-	-	132	-	132
Adjustment profit carried forward previous year subsidiaries		-	-	-	-24	-	-24	-	-24
Comprehensive income 2020		-	-	-	-866	-	-866	35	-831
Other Result 2020	4.8|4.10	-	-	-	-	-425	-425	-	-425
As of Dec. 31, 2020		**7,525**	**-7**	**20,891**	**4,706**	**-171**	**32,944**	**-**	**32,944**

*Previous year figures adjusted. Please refer to section 20.1.4 Presentation amendments and reclassifications

Actuarial changes from pension obligations and the associated deferred taxes are combined with the foreign currency reserve in the item "other reserves" in order to defer the valuation effects. The previous presentation in the capital reserve has been reclassified to other reserves. The previous designation of foreign currency differences has been renamed as a result of this reclassification to other reserves. The reclassification from the capital reserve to other reserves amounted to €15k for the carryforward value as of Jan. 1, 2020.

	Appendix	Issued capital EUR '000	Treasury shares EUR '000	Capital surplus* EUR '000	Retained earnings EUR '000	Other Reserves* EUR '000	Total EUR '000	Non-controlling interests EUR '000	Total equity EUR '000
As of Jan.1, 2021		**7,525**	**-7**	**20,891**	**4,706**	**-171**	**32,944**	**-**	**32,944**
Capital increase	7.1|7.2	1,135	-	42,542	-50	-	43,627	-	43,627
Change of treasury shares	7.1|7.2	-	-4	-504	-	-	-508	-	-508
Share-based payment for employees	14	-	-	211	-	-	211	-	211
Initial consolidation of subsidiaries		-	-	-	441	-	441	-	441
Comprehensive income 2021		-	-	-	-6,629	-	-6,629	-	-6,629
Other Result 2021	4.8|4.10	-	-	-	-	154	154	-	154
As of Dec. 31, 2021		**8,659**	**-11**	**63,140**	**-1,532**	**-17**	**70,240**	**-**	**70,240**

Consolidated cash flow statement from Jan. 1 to Dec. 31, 2021

	Appendix	FY 2021 EUR '000	FY 2020 EUR '000	
Operating Cashflow				
Group earnings		**-6,629**	-832	
Income tax expense recognized in profit or loss	4.8	**-229**	599	
Interest expenses(- Income) recognized in profit or loss	4.7	**2,187**	190	
Loss/profit on disposals of property, plant and equipment recognized in profit or loss		**8**	1	
Other non-cash expenses		**960**	246	*
Depreciation on fixed assets	6.1|6.2	**7,138**	4,597	
Change in provisions	6.7	**-153**	111	*
Change in trade receivables and other assets not attributable to investing or financing activities		**-1,825**	-880	*
Change in trade accounts payable and other liabilities not attributable to investing or financing activities		**829**	2,063	*
Interest expenses paid		**-**	-	**
Interest income received		**-**	-	**
Income taxes paid on income and earnings		**-251**	-154	
Cashflow from operating activities		**2,037**	5,942	**
Cashflow from investment activities				
Purchase of property, plant and equipment	6.2	**-399**	-326	
Proceeds from disposals of property, plant and equipment	4.1|6.2	**6**	-	
Purchase of intangible assets	6.1	**-2,756**	-1,682	
Proceeds from disposals of financial assets		**49**	-326	
Payments from additions of financial assets		**-150**	389	
Cash outflows from the acquisition of consolidated companies and other business units less acquired cash and cash equivalents		**-96,428**	-	
Proceeds from deconsolidated companies and other business units		**-**	2,246	
Cashflow from investing activities		**-99,678**	302	
Cashflow from financing activities				
Cash payments to owners and minority shareholders (dividends, acquisition of entity's shares, redemption of shares, other distributions)	7	**-810**	-210	
Proceeds from additions to equity (capital increases, sale of treasury shares)	7	**43,929**	9,124	
Cash proceeds from issuing bonds/loans and short or long-term borrowings	8.2	**57,043**	2,143	
Cash repayments of bonds/loans or short or long-term borrowings	8.2	**-2,574**	-4,369	
Proceeds from grants received	4.6	**4**	80	
Cash outflows for the repayment of lease liabilities	8.2	**-1,861**	-1,766	
Interest paid	4.7	**-1,648**	-260	**
Interest received	4.7	**12**	103	**
Cashflow from financing activities		**94,094**	4,846	**
Change in cash funds from cash relevant transactions		**-3,547**	11,090	
Cash funds at the beginning of period		**12,074**	1,184	
Change in cash funds from exchange rate movements		**126**	-199	
Cash funds at the end of period		**8,653**	**12,074**	

*Previous year figures adjusted. Please refer to Note 20.1.4 Changes in presentation and reclassifications.

**In order to improve the presentation of the financial position, net interest income will be reported under cashflows from financing activities from 2021 onwards. The prior-year figures have been adjusted accordingly.

Consolidated financial statement for the financial year 2021

1 General information

EQS Group AG (subsequently: parent company) was established by notarial deed (URNr. 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 company 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 can be found in the segment reporting (note 2).

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) HGB (German Commercial Code).

The EQS Group AG and its consolidated Group companies’ financial year corresponds to the calendar year. Functional currency of the parent company and reporting currency of the consolidated financial statement is the euro. Unless stated otherwise, figures are rounded to thousands of euros (hereinafter referred to as EUR’000 or €K). Percentages and figures in this report may be subject to rounding differences. Previous year’s figures marked with an asterisk in the report have been changed. Further explanations of the changes are provided in section 20.1.4.

Due to the significant changes resulting from the expansion in fiscal year 2021, the presentation in the notes to the consolidated financial statements has been changed so that we can present an improved picture to the reader of the financial statements as a result of the changed structure. In particular, the main accounting policies have been separated from the quantitative disclosures and the information has been classified according to its relevance for the reader of the financial statements. In addition, changes have been made to the presentation of the balance sheet and statement of comprehensive income (cf. Note 20.1.4). In this context, the amounts previously denominated in full euros have been converted to EUR’000/€K.

Going concern assumption

These consolidated financial statements have been prepared on a going concern basis. It is assumed that the EQS Group will continue its business and will be able to realise its assets and meet its liabilities in the normal course of business.

The EQS Group is an international provider of regulatory technologies in the areas of corporate compliance and investor relations. In July 2021, the EQS Group successfully completed the acquisition ICS International Compliance Software Beteiligungs Group GmbH with its wholly owned subsidiary Business Keeper GmbH (for further details see note 15.2) to further strengthen and expand its position in the corporate compliance market.

On Mar. 15, 2022, the Company carried out a capital increase from authorized capital with gross issue proceeds of around €45 million. The implementation of the capital increase is expected to be entered in the commercial register on Mar. 29, 2022. The Company thus has sufficient liquid funds of its own to carry out the planned or contractually required repayment of financial liabilities in the coming 6-18 months.

The acquisition of Business Keeper GmbH was financed through a bridge loan of €50 million, which was concluded on Jun. 11, 2021, with a term of 12 months and two six-month extension options (for further details see note 5.5). In addition, a vendor loan in the amount of €17 million was granted, which has a term until August 2022. The management of EQS Group AG will make the partial repayment of the loan in accordance with the agreement and the full repayment of the vendor loan by means of the capital increase implemented in March 2022 and refinance the remainder via a bank loan.

Management assumes that due to the positive business development of EQS Group, a further maturity extension could be negotiated with the bank if required in order to be able to manage the Group's liquidity needs in an optimized manner.

Based on these factors, management has a realistic expectation that the Group will have adequate resources to continue in business for the foreseeable future.

2 Segment reporting

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

The Compliance segment comprises all offers required to fulfil a regulatory obligation. This includes the cloud products Disclosure Manager, Integrity Line, Policy Manager and Approval Manager as well as, since 2021, Rulebook and Third Party Manager, which are combined in the COCKPIT cloud platform. In addition, we provide further cloud services in the form of filings (XML, XBRL) and LEI. Since many customers do not typically use the COCKPIT, these customers are recognised separately.

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

Accounting policies for the reportable segments comply with the consolidated accounting policies described in Note 20. EBITDA is used to assess the segment's performance and to decide on the allocation of resources. EBITDA is calculated as total operating performance (sales, other operating income and own work capitalized) less purchased services, personnel expenses and other operating expenses and expenses/income from the allowance for trade accounts receivable.

Earnings power of the segments is thus measured in the same manner as the Group’s earnings power.

As the Executive Board does not manage by segment assets and segment liabilities, this information was not included.

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

In the Investor Relations segment, there was a need for a value adjustment of €1.01 million (previous year: €645k) during the financial year.

FY 2021	*Compliance EUR '000*	*Investor Relations EUR '000*	*Group EUR '000*
Revenues			
Cloud-Products	19,826	9,504	29,329
Cloud-Service	10,881	10,012	20,893
Total Revenue	**30,707**	**19,516**	**50,223**
Other Income	222	141	363
Own cost capitalized	502	1,739	2,241
Operating Expenses	-28,230	-22,856	-51,085
EBITDA	**3,201**	**-1,459**	**1,742**

FY 2020	*Compliance EUR '000*	*Investor Relations EUR '000*	*Group EUR '000*
Revenues			
Cloud-Products	10,696	7,849	18,545
Cloud-Service	9,273	9,818	19,091
Total Revenue	**19,969**	**17,667**	**37,636**
Other income	219	194	414
Own cost capitalized	710	961	1,671
Operating Expenses	-15,686	-19,275	-34,961 *
EBITDA	**5,213**	**-453**	**4,760**

*Previous year figures adjusted. Please refer to section 20.1.4 Changes in presentation and reclassifications.

3 Revenue from contracts with customers

3.1 Breakdown of revenue from contracts with customers

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

	Reportable segments			
	Compliance		Investor Relations	
	FY 2021 in EUR '000	*FY 2020 in EUR '000*	**FY 2021 in EUR '000**	*FY 2020 in EUR '000*
Primary geographical markets				
Domestic	**23,248**	15,816	**12,670**	11,132
International	**7,459**	4,154	**6,846**	6,535
Total	**30,707**	19,969	**19,516**	17,667
Important product and service lines				
Cloud-Products	**19,826**	10,696	**9,504**	7,849
Cloud-Service	**10,881**	9,273	**10,012**	9,818
Total	**30,707**	19,969	**19,516**	17,667
Timing of revenue recognition				
Services rendered at a point in time services	**16.344**	14.638 *	**7.382**	7.823 *
Services provided over a period of time	**14,363**	5,331 *	**12,134**	9,844 *
Total	**30,707**	19,969	**19,516**	17,667

*Previous year figures adjusted. Please refer to section 20.1.4 Changes in presentation and reclassifications.

The breakdown by date of revenue recognition was adjusted for a more appropriate presentation. The reclassification in the reporting categories has no effect on the type, amount, timing and uncertainty of revenues and cash flows in the previous year.

3.2 Accounting policies and significant discretionary decisions

Revenue is quantified based on the consideration determined in a contract with a customer. The fees to be paid by the customer for the provision of the services are taken from the contract and the price list applicable at the time of commissioning. Payments for onboarding, packages, as well as the basic fee for twelve months are due and invoiced in advance upon conclusion of the contract. All additional services, if any, will be charged when used (e.g., pay per use/click, number of lines, project services) and otherwise invoiced monthly. Payments are due 14 days after the invoice date according to the GTC.

The Group recognizes revenue when it transfers control of a good or service to a customer.

For more detailed information on the individual products, please refer to Note 2 "Segment reporting".

Cloud products

Revenue from the COCKPIT cloud platform includes Software as a Service (SaaS) applications in the IR and Compliance segments, which provide a right to use software functions (including standard functions and customisations and extensions) in an infrastructure hosted by EQS or third-party providers, as well as related set-up and support services.

Performance obligations from SaaS solutions are settled on a straight-line basis over the period of use, as the customer receives the benefit from the Group's service and uses the service while it is being rendered.

Revenue from separately identifiable performance obligations for the installation and set-up of the COCKPIT is recognised upon fulfilment of the performance obligation at the time of completion.

For support services requested by customers, the entitlement to consideration arises in an amount directly corresponding to the value of the services already provided to the customer. Therefore, when quantifying the progress of a performance obligation, use is made of the practical exemption to recognise revenue for the amount invoiced.

Revenue recognition for disclosures, revenue is generally recognised at the time the individual service is rendered.

Cloud service

Outside the platform, there are other IR and Compliance services such as Websites, Tools and Reports where an asset without alternative use is created according to client specifications, with a right to payment for products already transferred and services already provided. If a contract is terminated by the customer, there is a right to reimbursement of the costs incurred to date, including a reasonable margin. Revenue from this performance obligation is recognised on a time-apportioned basis. The percentage of completion (PoC) method is used to measure the stage of completion relative to the date on which the performance obligation is fully satisfied.

Revenue from the transfer of LEI (legal entity identifier) is recognised at the time the LEI is transferred to the customer.

Revenue from events and webcasts is recognised when the service is fully performed and completed.

Revenue from filings is recognised at the time of full performance and submission.

Estimation uncertainties and discretionary decisions

The exercising of discretion in determining whether to recognise revenue at a point in time or over a period of time and estimates in quantifying the stage of completion can have a significant effect on the timing and amount of revenue recognised.

3.3 Contract assets

	Dec. 31,2021 EUR '000	*Dec. 31,2020 EUR '000*
Costs incurred up to the balance sheet date plus recognized gains less recognized losses	**257**	463
Partial revenue already billed	**-76**	-29
Advance payments received	**-103**	-409
Total	**78**	**25**

Contract assets 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.

Contract assets are reclassified into receivables where the rights become unreserved. This usually happens after a service has been fully completed when the Group issues a final invoice to the customer.

We expect to recognize the revenue within 6 months.

3.4 Contract liabilities

	Dec. 31,2021 EUR '000	*Dec. 31,2020 EUR '000*
Contract Liabilities	**9,978**	4,501 *

*Previous year figures adjusted. Please refer to section 20.1.4 Changes in presentation and reclassifications.

Contract liabilities mainly relate to advance payments for cloud products for which revenue is recognized over a certain period of time.

The amount of €4.50 million (previous year: €48k) disclosed in the contract liabilities at the beginning of the period was recognised as revenue in the 2021 financial year. The revenue recognised in the 2021 financial year from the performance obligations fulfilled (or partially fulfilled) in previous periods amount to €479k (previous year: €137k).

No information is provided on the remaining performance obligations, which have an expected initial term of one year or less.

4 Consolidated statement of significant comprehensive income items

The Group has identified numerous items that are significant due to their nature and/or amount. They are listed separately here to provide a better understanding of the Group's results of operations.

4.1 Other income

	FY 2021 EUR '000	*FY 2020 EUR '000*
Remuneration in kind	**20**	-
Conferences	**18**	-
Reimbursements from overpayments	**18**	-
Reversal of liabilities	**54**	-
Grants received	**141**	80
Rental income from operating leases	**50**	30
Income from contingent purchase price payments	**-**	246
Other	**62**	58 *
Total	**363**	**414**

*Previous year figures adjusted. Please refer to section 20.1.4 Changes in presentation and reclassifications.

Income from grants received mainly relates to the forgiveness of a government reconstruction loan in the USA. See note 4.6.

4.2 Own work capitalised

	FY 2021 EUR '000	*FY 2020 EUR '000*
Own Software	**2,241**	1,671

In the reporting year, the new add-on products for the IR COCKPIT were capitalised as significant projects with €1.48 million (previous year: €1.23 million), the new Compliance COCKPIT with €149k (previous year: €207k), the new Policy Manager with €46k (previous year: €135k), the new Roadshow Manager with €191k (previous year: €0k), the new Rulebook with € 89k (previous year: €0k) as well as the new Approval Manager with €218k (previous year: €104k).

4.3 Purchased services

	FY 2021 EUR '000	*FY 2020 EUR '000*
Cost of services	**7,425**	7,265

4.4 Personnel expenses

	FY 2021 EUR '000	FY 2020 EUR '000
Wages/Salaries	**26,655**	17,911
Equity-settled share-based payments	**211**	133
Statutory social expenses	**2,601**	1,515 *
Voluntary social expenses	**162**	92
Defined contribution plans	**1,529**	1,043 *
Defined benefit plans	**535**	153
Total	**31,693**	**20,847**

*Reclassification in prior-year figures - deferral of statutory social security expenses and defined contribution plans

4.5 Other expenses

	FY 2021 EUR '000	FY 2020 EUR '000
Room expenses	**470**	384
Insurances/contributions/fees	**336**	225
IT-costs/maintenance	**3,453**	2,384
Advertising and travel expenses	**3,085**	1,391
Telecommunication/office	**797**	418
Consulting fees	**2,321**	1,116
Outside services	**200**	160
Others	**596**	459 *
Total	**11,258**	**6,537**

*Previous year figures adjusted. Please refer to section 20.1.4 Changes in presentation and reclassifications.

The IT infrastructure expenses/repairs mainly include IT services provided by external partners as well as provider and service costs of €2.35 million (previous year: €1.72 million).

Consultancy fees consist of legal and consultancy fees as well as accounting fees and financial statement and audit costs. Advertising costs rose sharply compared with the previous year due to the marketing campaign in the area of compliance.

4.6 Government grants

Government grants amount to €141k in the financial year and comprise the waiver of a government development loan in the USA and a Corona grant of €4k in Italy. These amounts are included in other operating income.

4.7 Net financial result

	FY 2021 EUR '000	FY 2020 EUR '000
Financial income		
Interest income from financial assets measured at amortized cost	**17**	109
Net gain from foreign currency translation	**849**	191 *
Other financial income	**4**	-
Financial income	**870**	299
Financial expenses		
Interest paid/payable and finance costs for financial liabilities not measured at fair value through profit or loss	**-1,573**	-184
Interest paid/payable and finance costs for financial liabilities measured at fair value through profit or loss	**-542**	-
Interest expense on lease liabilities	**-90**	-115
Net loss from foreign currency translation	**-127**	-396 *
Financial expenses	**-2,332**	**-695**
Net Financial result	**-1,461**	**-396**

*Previous year figures adjusted. Please refer to section 20.1.4 Changes in presentation and reclassifications.

The most significant items with foreign currency conversion are the exchange rate changes from the American Dollar to the Euro of €251k (previous year: €- 254k), the British Pound to the Euro of €104k (previous year: €-123k), the Russian Rouble to the Euro of €-11k (previous year: €61k), the Indian Rupee to the Euro of € -40k (previous year: €59k), as well as the Swiss Franc to the Euro of €442k (previous year: €50k).

4.8 Income taxes

	FY 2021 EUR '000	FY 2020 EUR '000
Current taxes		
In respect of the current year	**225**	212
In respect of the previous year	**20**	-1
Total current income tax	**245**	**211**
Deferred taxes		
Change in deferred taxes current period	**-486**	382
Total deferred income tax	**-486**	**382**
Withholding tax		
Withholding tax	13	6
Total withholding tax	**13**	**6**
Income taxes Income (-) | expense (+)	**-229**	**599**

The consolidated tax ratio is calculated according to the taxable income pursuant to tax regulations. The expected income tax rate includes the statutory corporation tax including solidary surcharge and the trade tax, totalling 32.95% (previous year: 32.95%). It may therefore 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 expected income tax expense are disclosed in the tax reconciliation below. The expected income tax expense results from the earnings before income taxes, multiplied by the expected income tax rate.

	FY 2021 EUR '000	*FY 2020 EUR '000*
Profit before tax	**-6,858**	-233
Income tax expense calculated at 32.95% (previous year: 32.95%)	**-**	-
Effect of differing foreign tax rates	**608**	122
Effect of expenses that are not deductible in determining taxable profit	**-436**	64
Effect of tax losses	**-468**	388
Actual expenses relating to income tax from earlier periods	**-11**	-
Actual refund relating to income tax from earlier periods	**31**	-1
Others	**47**	26
Income taxes income (-) | expense (+)	**-229**	**599**
Effective tax rate	**3.33%**	**-257,38%**

Despite current loss periods, deferred tax assets are recognized on loss carryforwards for companies in the Group. The basis for this is tax planning that proves the value of the deferred tax assets.

Income taxes recognised in other comprehensive income:

	FY 2021 EUR '000	*FY 2020 EUR '000*
Deferred taxes		
Value adjustment IAS 19	16	-67

4.9 Earnings per share

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

	FY 2021 EUR '000	*FY 2020 EUR '000*
Share of net income attributable to shareholders of the parent company	**-6,629**	-866
	in Thousand	in Thousand
Weighted average number of shares outstanding	**8,143**	7,207
Earnings per share (basic and diluted)	**-0.81**	**-0.12**

4.10 Other comprehensive income

The composition of other comprehensive income is presented in the statement of comprehensive income.

5 Financial assets and financial liabilities

This note provides information on the Group's financial instruments, including:

» An overview of all financial instruments held by the Group

» Detailed information on each type of financial instrument

» Accounting policies

» Information about the determination of the fair value of the instruments, including related discretionary decisions and estimation uncertainties.

The Group holds the following financial instruments:

Financial assets:

	Dec. 31,2021 EUR '000	*Dec. 31,2020 EUR '000*
Measured at amortized cost:		
Trade receivables	**7,018**	3,923
Loans and receivables / security deposits	**1,096**	871
Cash and cash equivalents	**8,653**	12,074
Designated at fair value through profit or loss:		
Interest rate derivative	**23**	-
Total	**16,791**	16,869
Short term	**16,106**	16,136
Long term	**685**	733

Financial liabilities:

	Dec. 31,2021 EUR '000	*Dec. 31,2020 EUR '000*
Measured at amortized cost:		
Loans from banks	**58,259**	4,582
Leasing liabilities	**6,026**	6,120
Trade accounts payable	**3,197**	2,747 *
Deposits	**10**	10
Overdrafts / Credit card settlements	**73**	22
Other loans	**17,046**	185
Measured at fair value through profit or loss:		
Contingent consideration	**1,608**	-
Total	**86,219**	13,666
Short term	**76,292**	6,025
Long term	**9,927**	7,641

*Previous year figures adjusted. Please refer to section 20.1.4 Changes in presentation and reclassifications.

The Group's position with respect to various risks associated with financial instruments is explained in note 10. As of the balance sheet date, the maximum default risk corresponds to the carrying amount of each category of financial assets listed above.

5.1 Trade receivables

	Dec. 31,2021 EUR '000	*Dec. 31,2020 EUR '000*
Trade accounts receivables	**7,812**	4,137
Valuation allowances on receivables	**-794**	-214
Total	**7,018**	**3,923**

5.1.1 Classification as trade receivables

Trade receivables are amounts owed by customers for goods sold or services rendered in the ordinary course of business. They are generally payable within 21 days and are therefore classified as short term. Longer payment terms will only be granted in exceptional cases. Trade receivables are initially recognised at the amount of the unconditional consideration. The Group holds trade receivables to collect the contractual cash flows and subsequently measures them at amortised cost using the effective interest method. Details of the Group's impairment methods and the calculation of the impairment are included in note 10.2.2.

5.1.2 Fair value of trade receivables

Due to the short-term nature of the receivables, their carrying amount corresponds to their fair value.

5.1.3 Impairments and risks

Information on impairment losses of trade receivables and the default risk and foreign currency risk, which the Group is exposed to, can be found in the notes 10.1.1 and 10.2.

5.2 Other financial assets measured at amortised cost

5.2.1 Classification of financial assets measured at amortised cost

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

» The objective of the business model, within the framework of which the financial asset is held, is to hold financial assets to collect the contractual cash flows, and

» Its contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Other financial assets measured at amortised cost are composed as follows:

	Dec. 31,2021 EUR '000	*Dec. 31,2020 EUR '000*
Loans to foreign managing directors and employees in management positions as well as personnel receivables	**675**	604
Deposits	**421**	267
Others	**-**	-
Total	**1,096**	871
Short term	**434**	138
Long term	**662**	733

Loans of €829k were initially granted to foreign managing directors and senior executives. They are used to finance the purchase of up to 1% of the shares in the parent company in each case. The interest rates are 2%. Repayments must be effected by no later than 2027. The loans have been collateralised.

5.2.2 Fair value of other financial assets measured at amortised cost

The fair value of the current other financial assets corresponds to the carrying amount due to their short-term nature. Information on the fair value of other non-current financial assets is provided in note 10.4.

5.2.3 Impairment and risks

Note 10.2 includes information on the impairment of financial assets and the Group's default risk volume.

All other financial assets measured at amortised cost are denominated in euro. As a result, there is no foreign currency risk. Furthermore, there is no interest rate risk, as the financial investments are held until maturity.

5.3 Cash and cash equivalents

	Dec. 31,2021 EUR '000	*Dec. 31,2020 EUR '000*
Cash at banks	**8,653**	**12,074**

5.4 Trade payables and other financial liabilities

	Dec. 31,2021 EUR '000	Dec. 31,2020 EUR '000
Unsecured - at amortized cost		
Loans from banks	3,150	4,582
Trade accounts payable	3,197	2,747 *
Bank overdrafts / credit card settlements	73	22
Other loans	1,654	185
Total	**8,075**	**7,536**
Secured - at amortized cost		
Loans from banks	55,109	-
Deposits	10	10
Leasing liabilities	6,026	6,120
Other loans	17,000	-
Total	**78,145**	**6,130**
Total	**86,219**	**13,666**
Short term	76,292	6,025 *
Long term	9,927	7,641

*Previous year figures adjusted. Please refer to section 20.1.4 Changes in presentation and reclassifications.

Trade payables are not subject to interest and generally have an average maturity of 30 days.

The credit card statements are the amounts not yet debited as of the balance sheet date of Dec. 31, 2021.

Other loans include a vendor loan of €17.00 million from International Compliance Software Holding B.V. from the purchase of the Business Keeper GmbH. The loan is due for payment on Aug. 5, 2022.

5.5 Borrowings

EQS Group AG took out a bridge facility loan of €50 million with Commerzbank AG on Jun. 11, 2021. Transaction costs of €1 million and a further €250k to exercise the first six-month extension option were incurred. The bullet loan has a term of 12 months with two six-month extension options.

The interest rate for each loan for each interest period is the percentage per annum resulting from the sum of the applicable:

a) Margin; and

b) EURIBOR.

The margin is calculated as follows:

initial	3.50%
after the expiry of 12 months from the date of completion of the bridge financing.	4.00%
after expiry of 15 months from the date of completion of bridge financing	4.75%
after 18 months from the date of completion of bridge financing	6.00%
after 21 months from the date of completion of the bridge financing.	7.50%

On Jan. 4, 2021, EQS Group AG drew down a bank loan in the amount of €7 million to finance the acquisition of Got Ethics A/S. The loan matures on Dec.31, 2025, and is repayable in quarterly installments. The interest rate for the loan is the sum of the 3-month EURIBOR plus a margin of 2.80% p.a. At the balance sheet date, this resulted in an effective interest rate of 2.23%. amounting to 2.23%. If the interest rate calculated in this way is 0% or less, no interest is owed. This loan is unsecured.

On March 15, 2022, the Company carried out a capital increase from authorized capital with gross issue proceeds of around €45 million. The Company thus has sufficient liquid funds of its own to carry out the planned or contractually required repayment of financial liabilities in the coming 6-18 months.

Compliance with loan covenants

In connection with the bridge financing of €50.00 million, the Group must comply with EBITDA-related covenants.

In connection with the borrowing of €7 million, the Group must maintain a certain net gearing ratio during the term of the agreement. If this is not met, the bank has the right to demand the provision of bank collateral.

The aim of the EQS Group is to comply with the financial covenants at all times and to use simulated forecasts to ensure that the financial covenants are also complied with in future quarters.

Based on the corporate planning 2022, the Management Board of EQS Group AG assumes compliance with the financial covenants. Due to the delayed implementation of the whistleblowing directive, EQS Group AG has negotiated an easing of the conditions of the acquisition loan with Commerzbank AG, in return for which it undertakes to pay an unscheduled special repayment of €5 million by Mar. 31, 2022. The amendment agreement was concluded on Feb. 4, 2022. EQS Group AG complied with all financial covenants in the reporting period, see note 10.1.2 for further details.

The remaining bank loans are fixed-interest loans of €3.15 million (previous year: €4.58 million) taken out with banks with basic terms of a maximum of 5 years (previous year: 5 years). The loans' weighted average effective interest yield is 1.80% p.a. (previous year: 2.03% p. a.).

The shares in EQS GROUP AG, Switzerland, Business Keeper GmbH, Berlin (until Jan. 13, 2022 ICS International Compliance Software Beteiligungs Group GmbH, Frankfurt am Main) and EQS Group A/S, Denmark, were pledged as collateral for the bridge financing of €50.00 million.

Leasing liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

For loans, the fair values do not differ significantly from the carrying amounts as the interest payments on these loans are close to current market rates or the loans are short term.

6 Non-financial assets and liabilities

6.1 Intangible assets and goodwill

	Own Software EUR '000	Other purchased Software and licenses EUR '000	Customer base EUR '000	Goodwill EUR '000	**Total EUR '000**
Acquisition or production costs:					
As of Jan.1, 2020	8,145	1,314	9,907	19,317	38,683
Adjustment reporting statement	162	1,649	-16	-	1,796
Addition	1,671	11	-	-	1,682
Disposal	-	-110	-	-	-110
Exchange rate differences	-	-3	-195	-275	-472
As of Dec. 31, 2020	**9,978**	**2,861**	**9,697**	**19,042**	**41,578**
As of Jan.1, 2021	9,978	2,861	9,697	19,042	41,578
Addition	2,355	247	150	-	2,751
Disposal	-68	-28	-	-515	-611
Transfer	-91	91	-	-	-
Addition to the scope of consolidation	571	19,201	31,187	80,760	131,719
Exchange rate differences	-	23	323	632	979
As of Dec. 31, 2021	**12,745**	**22,395**	**41,358**	**99,919**	**176,415**
Depreciation and impairment:					
As of Jan.1, 2020	1,075	855	3,183	1,562	6,674
Adjustment reporting statement	162	1,649	-16	-	1,796
Depreciation/impairment	872	182	656	645	2,355
Disposal	-	-110	-	-	-110
Exchange rate differences	-	-5	-84	-63	-152
As of Dec. 31, 2020	**2,110**	**2,571**	**3,738**	**2,144**	**10,563**
As of Jan.1, 2021	2,110	2,571	3,738	2,144	10,561
Depreciation/impairment	851	1,409	1,532	1,009	4,801
Disposal	-68	-110	-	-	-178
Addition to the scope of consolidation	335	346	-	-	682
Exchange rate differences	-	23	86	55	164
As of Dec. 31, 2021	**3,228**	**4,237**	**5,356**	**3,208**	**16,029**
Book value:					
As of Dec. 31, 2021	**9,516**	**18,156**	**36,002**	**96,711**	**160,386**
As of Dec. 31, 2020	7,868	290	5,960	16,898	31,016
As of Jan.1, 2020	7,071	459	6,724	17,756	32,008

The biggest adjustments in 2021 relate to additions to internally generated software and additions to the scope of consolidation (see note 15.2). Furthermore, a goodwill impairment of €1.01 million was recognized in the CGU EQS Financial Markets & Media GmbH in the reporting year as part of the impairment test in accordance with IAS 36.24. This resulted in a full impairment of the CGU EQS Financial Markets & Media GmbH. This involved a full impairment of the goodwill allocated to this CGU and the Investor Relations segment.

All scheduled and unscheduled amortization of intangible assets as well as goodwills are presented in the statement of comprehensive income under the item "Depreciation & amortisation".

Allocation of goodwill to the cash generating units

Goodwill was allocated to the cash-generating units for impairment testing purposes. With goodwill, the cash-generating unit (CGU) is the segment within a Group company and not the individual entity itself. A distinction is made here between the "Compliance" and "Investor Relations" segments.

Chronological order according to Date of acquisition	*Date of acquisition*	*Segment*	***Book value Dec. 31, 2021 EUR '000***	*Book value Dec. 31, 2020 EUR '000*
CGU EQS Group AG Compliance	2005/2021	Compliance	**9,849**	4,761
CGU EQS Financial Markets & Media GmbH	2007	Investor Relations	**-**	1,009
CGU Equity Story 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	**2,741**	2,545
CGU EQS Group Ltd.	2015	Investor Relations	**490**	457
CGU EQS GROUP AG (Switzerland) Investor Relations	2016	Investor Relations	**2,233**	2,136
CGU EQS GROUP AG (Switzerland) Compliance	2018	Compliance	**5,767**	5,516
CGU EQS Group A/S	2021	Compliance	**10,391**	
CGU Business Keeper GmbH	2021	Compliance	**64,766**	-
Total			**96,711**	**16,898**

The recoverable amount (value in use) was determined using a two-stage discounted cash flow model based on a detailed forecast of total income and total expenses for 5 years and on a perpetual annuity taking into account a long-term growth rate of 1% (exception Russia: 0%). The carrying amounts of the CGUs EQS Asia Ltd., EQS Group Ltd. and EQS GROUP AG (Switzerland) are denominated in foreign currencies and are therefore subject to currency effects.

The sales plan for the individual CGU considers the following future potential:

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

» The assets (goodwill) of the CGU EQS Financial Markets & Media GmbH were fully impaired due to the lack of growth prospects.

» At the CGU Equity Story RS LLC, we expect sales growth to continue due to our good market positioning. However, if the war in Ukraine continues in the longer term, there could be a need for write-downs in the future.

» At the CGU EQS Group AG Investor Relations, we expect additional sales in particular from cross-selling with the new products Investors, CRM and Mailing.

» For CGU EQS Asia Ltd. we plan new customer growth in the coming years through the new IR COCKPIT and webcasts.

» For CGU EQS Group Ltd. we see a significant cross-selling potential with existing customers as well as market share gains through the new IR COCKPIT.

» For CGU EQS GROUP AG (Switzerland) Investor Relations, we expect significant cross-selling potential with existing customers as well as market share gains through the new IR COCKPIT.

» For the CGU EQS GROUP AG (Switzerland) Compliance, we expect a continuation of the sales growth due to our good market positioning.

» For CGU EQS GROUP A/S, we expect a continuation of the strong sales growth due to our good market positioning.

» For CGU Business Keeper GmbH, we expect a continuation of the sales growth due to our good market positioning.

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.

The growth rate in perpetuity was generally assumed to be 1.00% (previous year: 1.00%) for all CGUs of EQS Group in 2021, with the exception of Russia: 0.00% (previous year: 0.00%). The discount rate applied to the cash flow forecasts (AfterTax-WACC) was uniformly assumed to be 5.69% (previous year: 5.44%), with the exception of Russia: 12.76% (previous year: 12.51%).

For the CGU EQS Financial Markets & Media GmbH, the recoverable amount (value in use and fair value) is negative. Here, the expected stabilization of the media budgets of advertising customers failed to materialize once again. Accordingly, the goodwill for the CGU was fully impaired (€1.01 million).

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

CGU	*Assumptions*	*Parameter*	*Change in Parameters to:*	*(cumulative) Effect on the carrying amount EUR'000*
EQS Group AG Investor Relations	Growth in the perpetuity	1%	0% (-1 percentage point)	3,040
	Pre-tax cost of capital (pre-tax WACC)	7.14%	8.14% (+1 percentage point)	
EQS GROUP AG (Switzerland) Compliance	Growth in the perpetuity	1%	0% (-1 percentage point)	512
	Pre-tax cost of capital (pre-tax WACC)	6.79%	7.79% (+1 percentage point)	

Material intangible assets

The main changes to intangible assets in the reporting year resulted from additions to internally generated software and additions to the scope of consolidation. Reference is made to notes 4.2 and 15.2.

The main items of internally generated intangible assets developed as follows:

	Book value Dec. 31, 2021 EUR '000	*Book value Dec. 31, 2020 EUR '000*	*remaining amortisation period as of Dec. 31, 2021*
EQS COCKPIT X.0	**4,567**	5,156	Sep. 30, 2029
Total	**4,567**	**5,156**	

The main items of other purchased intangible assets developed as follows:

	Book value Dec. 31, 2021 EUR '000	*Book value Dec. 31, 2020 EUR '000*	*remaining amortisation period as of Dec. 31, 2021*
Software Business Keeper GmbH from PPA	**4,036**	-	Dec. 31, 2030
Order backlog Business Keeper GmbH from PPA	**8,594**	-	Dec. 31, 2030
Brand Business Keeper GmbH from PPA	**3,771**	-	Dec. 31, 2030
Total	**16,401**	**-**	

The customer bases developed as follows:

	Book value Dec. 31, 2021 EUR '000	*Book value Dec. 31, 2020 EUR '000*	*remaining amortisation period as of Dec. 31, 2021*
TodayIR Ltd.	**1,143**	1,207	Apr. 30,2029
Tensid AG	**1,166**	1,239	Dec. 31,2030
Obisidian IR Ltd.	**294**	306	Nov. 30,2030
News aktuell GmbH	**1,178**	1,364	Mar. 31,2028
Integrity Line GmbH	**1,768**	1,844	Dec.31,2033
Business Keeper GmbH	**26,439**	-	Jun. 30, 2041
Got Ethics A/S	**3,593**	-	Dec. 31, 2040
C2S2 GmbH	**273**	-	Dec. 31, 2040
APA-OTS Originaltext-Service GmbH	**148**	-	Sep. 30,2036
Total	**36,002**	**5,960**	

6.1.1 Depreciation methods and useful life

The Group amortises intangible assets with finite useful lives on a straight-line basis over the following periods:

Asset classes	**Useful life**
Other purchased software and licenses	**3 - 5 years**
Own software	**5 - 10 years**
Industrial property rights	**1 - 10 years**
Licenses	**3 years**
Customer base	**15 - 20 years**

See note 20.11 for other accounting policies relevant to intangible assets and note 20.7 for the Company's policies with regard to the recognition of impairment losses.

6.2 Property, plant & equipment

	Furniture & office equipments EUR '000	*Buildings (IFRS 16) EUR '000*	***Total EUR '000***
Acquisition or production costs:			
As of Jan.1, 2020	1,894	9,092	10,986
Adjustment reporting statement	2,861	-	2,861
Addition	464	449	913
Disposal	-90	-288	-378
Exchange rate differences	-73	-253	-326
As of Dec. 31, 2020	**5,055**	**9,000**	**14,056**
As of Jan.1, 2021	5,055	9,000	14,056
Addition	506	613	1,119
Disposal	-57	-177	-234
Addition to the scope of consolidation	719	1,060	1,779
Exchange rate differences	83	184	267
As of Dec. 31, 2021	**6,306**	**10,681**	**16,987**
Depreciation and impairment:			
As of Jan.1, 2020	327	1,821	2,148
Adjustment reporting statement	2,861	-	2,861
Depreciation/impairment	472	1,771	2,242
Disposal	-89	-188	-277
Exchange rate differences	-50	-84	-134
As of Dec. 31, 2020	**3,520**	**3,320**	**6,840**
As of Jan.1, 2021	3,520	3,320	6,840
Depreciation/impairment	540	1,798	2,338
Disposal	-47	-78	-126
Addition to the scope of consolidation	427	-	427
Exchange rate differences	57	99	156
As of Dec. 31, 2021	**4,497**	**5,139**	**9,636**
Book value:			
As of Dec. 31, 2021	**1,809**	**5,542**	**7,351**
As of Dec. 31, 2020	1,535	5,681	7,216
As of Jan.1, 2020	1,567	7,271	8,838

At the balance sheet date, there are no contractual obligations in the form of purchase orders for the acquisition of tangible assets.

6.2.1 Depreciation methods and useful life

All property, plant and equipment are recognised at historical cost less depreciation and impairment losses, if any.

Scheduled depreciation is carried out on a straight-line basis. The difference between the acquisition or production costs and the residual values is distributed on a straight-line basis over the following expected useful lives:

Asset classes	**Useful life**
Rights of use Building (IFRS 16)	**1 -10 years**
Operating and business equipment	**1 - 23 years**

See note 20.10 for other accounting policies relevant to property, plant and equipment.

6.3 Leases – lessee

This note provides information on leases in which the Group is the lessee.

The Group rents various offices, office equipments and a vehicle. Building leases are usually long-term (up to 10 years) but may have renewal options as described in section 6.3.3 below.

The accounting policies for leases are explained in note 20.6.

6.3.1 Amounts recognised in the balance sheet

The following items are recognised in the balance sheet in connection with leases:

	Dec. 31,2021 EUR '000	*Dec. 31,2020 EUR '000*
Right of use asset		
Buildings	5,542	5,681
Car	30	-
Office equipment	59	20
Total	**5,630**	**5,701**
Additions and disposals to rights of use		
Additions	1,777	449
Disposals	-177	-288
Total	**1,600**	**161**
Leasing liability		
Short term	2,110	1,640
Long term	3,916	4,480
Total	**6,026**	**6,120**

For the maturity structure, please refer to note 10.3.2.

6.3.2 Amounts recognised in the comprehensive income statement

The comprehensive income statement shows the following amounts related to leases:

	FY 2021 EUR '000	*FY 2020 EUR '000*
Amortization of the right of use		
Buildings	1,798	1,771
Car	1	-
Office and business equipment	16	7
Total	**1,815**	**1,778**
Interest expenses		
Interest expenses on leasing liabilities	90	115
Practical remedy		
Expenses for short-term leases	39	-
Expenses for low value leases	7	5
Total	**46**	**5**
Amounts recognized in the statement of comprehensive income	**1,952**	**1,898**

Payments for leases in the reporting year of €1.95 million (Dec. 31, 2020: €1.77 million).

6.3.3 Extension options

As of Dec. 31, 2021, there are future cash outflows not included in the lease liability in the amount of €11.03 million (Dec. 31, 2020: €10.63 million), as it is not sufficiently certain that the lease agreements will be extended (or not terminated).

6.3.4 Subleases

The Group enters into sublease agreements for rented properties. The subleases are exclusively classified as operating leases.

Rental income from subleases for properties includes €50k (Dec. 31, 2020: €30k) and consist exclusively of fixed lease payments linked to an index or (interest) rate.

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

	FY 2021 EUR '000	*FY 2020 EUR '000*
up to 1 year	**13**	**36**

The accounting policies for leases are explained in note 20.6.

6.4 Deferred taxes

						As of Dec. 31, 2020		
Dec. 31, 2020	*Balance net as of January 1 EUR '000*	*Recognized in Profit or loss EUR '000*	*Currency Effect EUR '000*	*Recognized in Other Income EUR '000*	*Directly in Equity considered EUR '000*	*Net EUR '000*	*Deferred Tax Assets EUR '000*	*Deferred Tax Liabilities EUR '000*
Intangible assets	-3,355	-197	-	-	-	-3,551	-	-3,551
Property, plant and equipment	-1,629	268	-	-	-	-1,362	-160	-1,201
Financial assets	-52	52	-	-	-	-	-	-
Other assets	-	-92	-	-	-	-92	-	-92
Trade Receivables	-26	23	-	-	-	3	13	-10
Cash and Cash equivalents	59	8	-	-	-	67	67	-
Employee benefits	114	107	-5	-67	-	154	20	134
Provisions	69	-36	-	-	-	33	33	-
Financial Liablities	1,698	-252	-	-	-	1,446	1,446	-
Loss carried forward	1,044	-258	-	-	-	786	786	-
Tax assets (-liabilities) before offsetting							**2,206**	**-4,722**
Offsetting of tax							-2,206	2,206
Tax assets (-liabilities) after offsetting							**-**	**-2,516**

Dec. 31, 2021	Balance net as of January 1 EUR '000	Recognized in Profit or loss EUR '000	Currency Effect EUR '000	Recognized in Other Income EUR '000	Directly in Equity considered EUR '000	As of Dec. 31, 2021 Net EUR '000	Deferred Tax Assets EUR '000	Deferred Tax Liabilities EUR '000
Intangible assets	-3,551	218	3	-	-14,764	-18,097	-	-18,097
Property, plant and equipment	-1,362	100	-	-	-	-1,261	-102	-1,160
Financial assets	-	-	-	-	-	-	-	-
Other assets	-92	92	-	-	-	-	-	-
Trade Receivables	3	6	-	-	-	8	20	-11
Cash and Cash equivalents	67	-66	-	-	-	1	3	-2
Employee benefits	154	-73	2	16	-	97	222	-125
Provisions	33	-13	-	-	-	20	20	-
Liabilities from trade payables	-	1	-	-	-	1	1	-
Contractual binding-liabilities	-	1	-	-	-	1	1	-
Financial Liablities	1,446	-523	-	-	-	924	1,350	-427
Loss carried forward	786	737	-	-	177	1,700	1,700	-
Tax assets (-liabilities) before offsetting							**3,215**	**-19,821**
Offsetting of tax							-3,215	3,215
Tax assets (-liabilities) after offsetting							**0**	**-16,607**

It was not possible to some extent to capitalise any deferred taxes on foreign losses carried forward in the reporting year. This is due, among other things, 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 losses carried forward have expired to date.

The amount of the non-recognised vested losses carried forward at the reporting date is €2.11 million (Dec. 31, 2020: €2.13 million).

No deferred tax liabilities were formed on outside basis differences. The related temporary differences amount to €188k (Dec. 31, 2020: €123k) at the reporting date.

6.5 Other assets

	Dec. 31,2021 EUR '000	Dec. 31,2020 EUR '000
Advance payments	**1,338**	818
VAT Receivables	**-**	14
Receivables from health insurance/insurances	**21**	1
Other Assets	**594**	101
Total	**1,953**	**933**
Short term	**1,907**	893 *
Long term	**46**	41 *

*Previous year figures adjusted. Please refer to section 20.1.4 Changes in presentation and reclassifications.

The prepayments relate to services rendered after Dec. 31, 2021.

6.6 Other liabilities

	Dec. 31,2021 EUR '000	Dec. 31,2020 EUR '000
VAT liabilities	**327**	147
Tax on wages	**629**	409
Employer's liability insurance Association	**90**	70 *
Money transit	**111**	-
Other	**3**	2
Total	**1,161**	**627**
Short term	**1,161**	627 *
Long term	**-**	-

*Previous year figures adjusted. Please refer to section 20.1.4 Changes in presentation and reclassifications.

6.7 Provisions

	Retention of business documents EUR '000	Obligation to dismantle rented premises EUR '000	Encumbering contracts EUR '000	Total EUR '000
As of Jan.1, 2020	14	142	-	**156**
Allocation	-	-	113	**113**
Accumulation	-	2	-	**2**
Currency translation	-	-	-4	**-4**
As of Dec. 31, 2020	**14**	**144**	**109**	**267 ***
Short term	-	-	109	**109 ***
Long term	14	144	-	**158 ***

*Previous year figures adjusted. Please refer to section 20.1.4 Changes in presentation and reclassifications.

	Retention of business documents EUR '000	Obligation to dismantle rented premises EUR '000	Encumbering contracts EUR '000	Total EUR '000
As of Jan.1, 2021	14	144	109	**267**
Consumption in current year	-	-	-111	**-111**
Allocation	-	-	32	**32**
Accumulation	-	1	-	**1**
Currency translation	-	-	2	**2**
As of Dec. 31, 2021	**14**	**145**	**33**	**192**
Short term	-	-	33	**33**
Long term	14	145	-	**159**

Retention of business documents

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

Obligation to dismantle rented premises

The obligation to dismantle rented premises results from the relocation of the parent company's business premises and the associated change in the expenses for the restoration measures.

Encumbering contracts

Provisions are made for encumbering contracts whose contractual fulfilment involves unavoidable costs.

6.8 Employee benefits

6.8.1 Liabilities from employee benefits

	Dec. 31,2021 EUR '000	Dec. 31,2020 EUR '000
Defined benefit plans	**506**	458 *
Liabilities from wages and salaries	**16**	14 *
Bonus payments	**829**	820
Vacation / Overtime	**430**	114
Liabilities - social security	**7**	3 *
Liabilities from pension plans	**180**	100 *
Service cost Earn-out payments from purchase agreement Got Ethics A/S	**237**	-
Other	**21**	8 *
Total	**2,227**	**1,516 ***
Short term	**1,494**	1,063 *
Long term	**733**	453 *

*Previous year figures adjusted. Please refer to section 20.1.4 Changes in presentation and reclassifications.

6.8.2 Benefits after termination of the employment relationship

The table below shows the reconciliation of the opening balance to the closing balance for the net defined benefit liability (asset) and its components.

Change in net liability from defined benefit pension plans	*Defined benefit obligation*		*Fair value of Plan Assets*		*Net defined benefit liability defined benefit pension plans*	
	FY 2021 EUR '000	*FY 2020 EUR '000*	***FY 2021 EUR '000***	*FY 2020 EUR '000*	***FY 2021 EUR '000***	*FY 2020 EUR '000*
As of Jan.1,	**898**	**481**	**-440**	**-250**	**458**	**231**
Recognized in profit or loss	**188**	**160**	**-1**	**-1**	**186**	**160**
Current service cost	**187**	157	**-**	-	**187**	157
Past service cost	**-5**	-	**-**	-	**-5**	-
Interest expense (interest income)	**6**	3	**-1**	-1	**4**	3
Recognized in other comprehensive income	**16**	119	**-77**	-5	**-61**	114
Actuarial Loss (Gain) from:						
- demographic assumptions	**-77**	2	**-**	-	**-77**	2
- financial assumptions	**108**	13	**-**	-	**108**	13
- experience adjustment	**-59**	116	**-**	-	**-59**	116
Return on plan assets excluding interest income	**-**	-	**-55**	-5	**-55**	-5
Net translation differences	**45**	-11	**-22**	1	**22**	-10
Other						
Contributions paid by employer	**-**	-	**-69**	-46	**-69**	-46
Contributions paid by employee	**69**	60	**-69**	-60	**-**	-
Benefit Payments	**-153**	78	**143**	-78	**-10**	-
As of Dec. 31,	**1,018**	**898**	**-513**	**-440**	**506**	**458**

For country-specific details of defined benefit plans, see note 20.16.2.

Dec. 31, 2021	Switzerland EUR '000	France EUR '000	India EUR '000	Italy EUR '000	Serbia EUR '000	Total EUR '000
Present value of obligations	884	8	116	11	-	1,018
Fair value of plan assets Plan assets	-513	-	-	-	-	-513
Total liabilities	**371**	**8**	**116**	**11**	**-**	**506**

Dec. 31, 2020	Switzerland EUR '000	France EUR '000	India EUR '000	Italy EUR '000	Serbia EUR '000	Total EUR '000
Present value of obligations	822	9	67	-	-	898
Fair value of plan assets Plan assets	-440	-	-	-	-	-440
Total liabilities	**382**	**9**	**67**	**-**	**-**	**458**

The Group is expecting contributions of €59k to be paid into the defined benefit plans in 2022.

Plan assets

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

Plan assets	***Dec. 31, 2021***	*Dec. 31, 2020*
Shares	**30.4%**	30.8%
Bonds	**30.4%**	33.0%
Real estate	**15.6%**	13.7%
Mortgages	**6.9%**	7.6%
Alternative investments	**16.1%**	14.8%
Other	**0.2%**	0.6%
Cash and cash equivalents	**0.4%**	-0.4%

The investment strategy of the fund is based on investment objectives, which are regularly determined by an asset-liability study (ALM), and follows the goal of achieving a stable return through a balanced share of equities, real assets and investments in alternative investments, and to cushion the short-term fluctuations of the market through diversification.

The remaining pension plans are unfunded.

Defined benefit obligation

The most important actuarial assumptions used as of the balance sheet date (in the form of weighted average values in percent) are listed below.

Dec. 31, 2021	***Switzerland***	***France***	***India***	***Italy***
Discount rate	**0.3%**	**0.6%**	**6.1%**	**1.0%**
Inflation rate	**-**	**-**	**-**	**1.5%**
Future wage and salary increases	**3.5%**	**1.0%**	**8.5%**	**2.6%**
Future pension increases	**0.0%**	**-**	**-**	**-**
Fluctuation rate	**-**	**-**	**14.0%**	**5.0%**

Dec. 31, 2020	***Switzerland***	***France***	***India***	***Italy***
Discount rate	0.3%	0.6%	5.5%	-
Inflation rate	0.7%	-	-	-
Future wage and salary increases	1.6%	1.0%	8.5%	-
Future pension increases	0.0%	-	-	-
Fluctuation rate	-	-	14.0%	-

The assumptions about future life expectancy are based on published statistics and mortality tables.

For reasons of materiality, the actuarial assumptions used for the pension plan in Serbia have not been presented.

On Dec.31, 2021, the weighted average duration of the defined benefit obligation was 19.5 years (previous year: 22.2 years).

If the other assumptions remain constant, the reasonably possible changes in one of the key actuarial assumptions at the reporting date would have affected the defined benefit obligation by the amounts shown below:

Sensitivity analysis		*Change of Assumption*		*Increase of Acceptance*		*Decrease in Acceptance*
Switzerland	***FY 2021***	*FY 2020*	***FY 2021***	*FY 2020*	***FY 2021***	*FY 2020*
Discount rate	**0.5%**	0.5%	**-9.4%**	-2.8%	**12.0%**	21.4%
Future wage or salary salary increases (incl. inflation)	**0.5%**	0.5%	**4.7%**	12.9%	**-4.1%**	-3.6%
Expected pension increase	**0.5%**	0.5%	**4.3%**	12.8%	**-3.9%**	-3.7%
Change in Life expectancy	**1 Year**	1 Year	**1.3%**	9.5%	**-1.3%**	-6.5%

Sensitivity analysis		*Change of Assumption*		*Increase of Acceptance*		*Decrease in Acceptance*
India	***FY 2021***	*FY 2020*	***FY 2021***	*FY 2020*	***FY 2021***	*FY 2020*
Discount rate	**1.0%**	1.0%	**-6.8%**	-7.1%	**7.7%**	8.1%
Future wage or salary salary increases (incl. inflation)	**1.0%**	1.0%	**7.4%**	7.8%	**-6.7%**	-7.0%
Fluctuation rate	**25.0%**	25.0%	**-5.5%**	-6.8%	**7.2%**	9.1%

For the countries France, Italy and Serbia, a sensitivity analysis was not performed for reasons of materiality.

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

The coverage gap does not currently represent a significant risk. The obligations are regularly reviewed by management in order to be able to take appropriate precautions in the event of significant changes.

7 Equity

7.1 Subscribed capital / Treasury shares of stock

	Dec. 31,2021 EUR '000	*Dec. 31,2020 EUR '000*
Issued as of January 1	**7,518**	1,433
Capital increase from own funds	**-**	5,740
Issued against cash contributions	**1,135**	350
Balance of purchased and sold treasury shares for share savings plans	**-4**	-6
Issued as of Dec. 31 - fully paid	**8,648**	**7,518**

The Group's subscribed capital is €8,659,476.00 as of Dec. 31, 2021 (Dec. 31,2020: €7,524,890.00) and has been paid up in full. It is divided into 8,659,476 (Dec. 31, 2020: 7,524,890) no-par value registered shares. As of the balance sheet date, the Group held 11,000 treasury shares, which were openly deducted from the subscribed capital.

By resolution of the Annual General Meeting on Jul. 17, 2020, the Board of Management was authorized, with the approval of the Supervisory Board, to increase the share capital on one or more occasions by a total of up to €3,587,445.00 until Jul. 16, 2025 against cash and/or non-cash contributions (Authorized Capital 2020/I)

Based on this resolution, the capital stock was increased by €357,361.00 to €7,882,251.00 and, by resolution of the Supervisory Board of Feb. 17, 2021, the Articles of Association were amended in Section 4 (Capital Stock, Authorized Capital). The entry in the commercial register was made on Mar. 02, 2021.

The following resolutions were adopted by the Annual General Meeting on May 14, 2021:

» Cancellation of the previous Authorized Capital 2020/I

» Creation of a new Authorized Capital 2021

» Cancellation of Conditional Capital 2018

» Creation of new Conditional Capital 2021

» Amendment of Section 4 - Capital stock, authorized capital

» Amendment to Section 14 - Compensation of the Supervisory Board

By resolution of the Annual General Meeting, the Board of Management was authorized, with the approval of the Supervisory Board, to increase the share capital on one or more occasions by a total of up to €3,941,125.00 by May 13, 2026 against cash and/or non-cash contributions (Authorized Capital 2021/I).

Based on this resolution, the following increases in share capital were made:

The increase of the share capital by €590,000.00 to €8,472,251.00. By resolution of the Supervisory Board of Jun. 16, 2021, the Articles of Association were amended in Section 4 (Share Capital, Authorized Capital). The entry in the commercial register was made on Jun. 25, 2021.

The capital stock was increased by €187,225.00 to €8,659,476.00. By resolution of the Supervisory Board on Dec. 7, 2021, the Articles of Association were amended in Section 4 (Capital

Stock, Authorized Capital). The entry in the commercial register was made on Dec.13, 2021.

After partial utilization, the conditional capital still amounts to €3,163,900.00 as of Dec. 31, 2021.

By resolution of the Annual General Meeting on May 14, 2021, the cancellation of the Conditional Capital 2018 and the creation of a new Conditional Capital 2021 in the amount of €3,941,125.00 was resolved.

The contingent capital increase is exclusively for the purpose of granting shares to the holders of convertible bonds and/or bonds with warrants issued by the Group or by a 100% direct or indirect affiliated company of the Group until May 13, 2026 in accordance with the authorisation granted by the Annual General Meeting on 14 May 2021. In accordance with the terms and conditions of the convertible bonds, the contingent capital increase also serves to issue shares to holders of convertible bonds with conversion obligations. The contingent capital increase will only be implemented 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 convertible bonds with a conversion obligation fulfil their conversion obligation and to the extent that no treasury shares will be made available to fulfil these rights. The Executive Board was authorised, with the approval of the Supervisory Board, to determine the further details of the implementation of the contingent capital increase.

In January 2021, in addition to the shares already acquired in 2020 for the employee program, a further 2,679 treasury shares were purchased at a price of €27.08 to €29.50 (€2,679 of the share capital of €7,524,890 existing at that time = 0.036%).

Also in January 2021, 9,624 treasury shares were sold at a price of EUR 29.20 as part of the employee participation program (2019 tranche). In August 2021, the remaining 416 treasury shares (€416.00 of the share capital of €8,472,251.00 = 0.005% existing at that time) were sold at a market value of €46.80.

For the employee stock option program (2020 tranche), 11,000 treasury shares (€11,000 of the share capital of €8,472,251.00 = 0.13% existing at that time) were purchased again from September to November 2021 at a market value of €38.60 to €42.80. These will be issued to employees in January 2022 as part of the employee stock option program. The treasury stock amounted to 11,000 shares as of the balance sheet date. The effect for the financial year from the repurchase and sale of treasury shares is shown in the capital reserve.

By resolution of the Annual General Meeting, the compensation for each member of the Supervisory Board was increased to €35,000.00 plus any value-added tax payable on this amount. The Chairman of the Supervisory Board receives twice this amount.

7.2 Capital reserve

	Dec. 31,2021 EUR '000	*Dec. 31,2020 EUR '000*
Balance of capital reserve at beginning of year	**20,891**	17,899
Reclassification	**-**	15
Capital increase	**42,542**	3,010
Share-based payment	**211**	132
Change in treasury shares	**-504**	-165
Total	**63,140**	**20,891**

Personnel expenses related to share-based payments are recognised in other reserves. At the end of the reporting period, €43k (Dec. 31, 2020: €114k) from equity-based remuneration transactions are included in the capital reserve.

7.3 Retained Earnings

	Dec. 31,2021 EUR '000	Dec. 31,2020 EUR '000
Balance at beginning of year	**4,706**	5,610
Cost of capital increase	**-50**	-14
Adjustment of retained earnings of subsidiaries	**-**	-24
Initial consolidation of subsidiaries	**441**	-
Consolidated net income	**-6,629**	-866
Total	**-1,532**	**4,706**

7.4 Other reserves

	Dec. 31,2021 EUR '000	Dec. 31,2020 EUR '000
Status at the beginning of the year	**-171**	269
Reclassification	**-**	-15
Foreign currency differences	**55**	-216
Actuarial gains/losses	**99**	-209
Total	**-17**	**-171**

Foreign currency differences

Exchange differences arising on the translation of a controlled foreign operation are recognized in other comprehensive income in the statement of comprehensive income and accumulated in the other reserve in equity. The cumulative amount in the other reserve is reclassified to profit or loss (net income) when the net investment is disposed of.

At the end of the reporting period, other reserves include currency differences from the translation of foreign businesses of €110k (Dec. 31, 2020: €53k).

Actuarial gains and losses

Gains and losses from remeasurements of defined benefit pension plans and the difference between the return on plan assets and the amounts included in net interest on the net liability (the net asset) resulting from experience-based adjustments and changes in actuarial assumptions are recognised directly in other comprehensive income in the period in which they arise. The cumulative remeasurements are shown in the statement of changes in equity and in the balance sheet under other reserves.

At the end of the reporting period, other reserves include actuarial gains (losses) as well as deferred taxes thereon, in the amount of € -127 k (Dec. 31, 2020: € -226 k).

7.5 Shares of non-controlling shareholders

	Dec. 31,2021 EUR '000	Dec. 31,2020 EUR '000
Balance at beginning of year	**-**	-35
Income attributable to non-controlling interests	**-**	35
Total	**-**	**-**

The income attributable to non-controlling interets is €56.53 (Dec. 31, 2020: €11.67).

8 Cash flow disclosures

8.1 Non-cash investing and financing activities

Non-cash investing and financing activities recognised in other notes:

» Acquisition of rights of use – note 6.3

» Shares issued to employees under the stock share plan – note 14.

8.2 Changes in liabilities from financing activities

	As of Jan. 1, 2020 EUR '000	*Cash effective EUR '000*	*Non cash effective EUR '000*	*As of Dec. 31, 2020 EUR '000*
Long-term bank loans	1,530	1,620	-	3,150
Short-term bank loans (current account/credit card)	4,104	-2,651	-	1,453
Other credits	1,302	-1,205	88	185
Deposits	-	10	-	10
Leasing liabilities	7,714	-1,766	172	6,120
Total	**14,650**	**-3,992**	**260**	**10,918**

	As of Jan. 1, 2021 EUR '000	*Cash effective EUR '000*	*Non cash effective EUR '000*	*As of Dec. 31, 2021 EUR '000*
Long-term bank loans	3,150	4,271	-3,018	4,403
Short-term bank loans (current account/credit card)	1,453	50,254	2,223	53,930
Other credits	185	-56	18,525	18,654
Deposits	10	-	-	10
Leasing liabilities	6,120	-1,861	1,767	6,026
Total	**10,918**	**52,608**	**19,506**	**83,022**

Lease liabilities include non-cash additions from initial consolidations amounting to €1.06 million. Financial liabilities are mainly denominated in euros.

Risks

9 Significant estimates, discretionary decisions and errors

The preparation of the financial statements requires the use of accounting estimates, which by definition rarely correspond to actual results. The application of the Group's accounting policies is also subject to various discretionary decisions by management. Below we provide an overview of areas with higher degrees of discretionary decisions or complexity and items that are likely to require a significant adjustment if estimates and assumptions prove to be incorrect. Detailed information on these estimates and discretionary decisions is included in the other notes, together with the basis of calculation for each affected line item in the financial statements.

9.1 Significant estimates and discretionary decisions

The following paragraphs illustrate the significant estimates and exercising of discretion by the Executive Board when applying the Group's accounting policies and the most substantial impact of this exercising of discretion on the amounts disclosed in the consolidated financial statement. The illustration does not include any exercising of discretion that includes estimates.

Significant estimates or discretionary decisions were exercised in respect of:

» Recognition of revenue (note 3)

» Liabilities from employee bonus and commission payments (note 6.8)

» Internally generated intangible assets (note 6.1)

» Accounting for leases (note 6.3)

» Capitalising deferred taxes for losses carried forward (note 6.4)

» Acquisition of subsidiaries and allocation of the transaction price (note 15.2)

» Valuation allowance for expected credit losses on trade receivables and contract assets (note 10.2.2)

» Goodwill (note 6.1)

All estimates and discretionary decisions are continually evaluated and are based on historical experience and other factors, including expectations of future events that may affect the Group financially and are believed to be reasonable under the circumstances.

10 Financial risk management

The following section explains the Group’s position with regard to financial risks and how these may affect the Group’s assets, financial position and earnings in the future. Information on current year profits and losses has been included where relevant to clarify relationships.

Risks	Risks from	Valuation
Market risk - foreign currency	Recognized financial assets and liabilities not denominated in euros	**Sensitivity analysis**
Market risk - interest rate	Borrowings at variable interest rates	**Sensitivity analysis**
Default risk	Cash and cash equivalents, debt instruments and contract assets	**Age structure analysis** **Credit ratings**
Liquidity risk	Borrowings and other liabilities	**Disbursement profiles**

The Company's risk management is primarily controlled by the Compliance Stering Committee, which includes members of the Executive Board. Controlling identifies, assesses, and hedges financial risks in close cooperation with the Company's operating divisions.

The management of the EQS Group reports regularly to the Supervisory Board of the Company.

10.1 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 market risk include interest-bearing loans.

Each of the sensitivity analyses in the following paragraphs relates to the status as of Dec. 31, 2021 or Dec. 31, 2020.

The sensitivity analyses were compiled under the assumption that the net debts, the fixed to variable interest yield of liabilities ratio and the interest in financial instruments in foreign currency remain steady.

10.1.1 Foreign currency risk

Risk position and control

Some transactions in the Group are denominated in foreign currency. This results in risks from exchange rate fluctuations. Translation-related risk from the inclusion of foreign Group companies into the consolidated financial statement (translation risks) remain unconsidered. The previous year's figures have been adjusted due to a change in the calculation. Items denominated in a currency other than the functional currency of the respective subsidiary are included in the calculation.

Due to the still low level of foreign currency sales (25%), which are mainly in hard currencies (CHF, GBP, HKD, USD) and are partly characterized by contrary developments, exchange rate hedging transactions are not used. All loans are also denominated in euros.

The foreign currency risk at the end of the reporting period is as follows:

	Liabilities		*Assets*	
	Dec. 31,2021 EUR '000	*Dec. 31,2020 EUR '000*	***Dec. 31,2021 EUR '000***	*Dec. 31,2020 EUR '000*
EUR	**72**	43	**988**	446
CHF	**-**	14	**189**	1
GBP	**-**	-	**52**	1
HKD	**-**	-	**3**	265
RUB	**-**	-	**5**	19
USD	**106**	12	**121**	59
SGD	**-**	-	**23**	-
AUD	**-**	-	**5**	-
SEK	**-**	-	**5**	-

The exchange rates used for currency translation are as follows:

	EUR/CHF	*EUR/GBP*	*EUR/HKD*	*EUR/RUB*	*EUR/USD*	*EUR/SGD*	*EUR/AUD*	*EUR/SEK*
Rate at Dec. 31, 2021	**1.03**	**0.84**	**8.83**	**85.30**	**1.13**	**1.53**	**1.56**	**10.25**
Rate at Dec. 31, 2020	1.08	0.90	9.51	91.47	1.23	-	-	-
Average rate 2021	**1.08**	**0.86**	**9.20**	**87.23**	**1.18**	**1.59**	**1.57**	**10.14**
Average rate 2020	1.07	0.89	8.85	82.65	1.14	-	-	-

Sensitivity

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 executive committees and depicts the estimation of the executive management 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.

	Annual result	
	FY 2021 EUR '000	*FY 2020 EUR '000*
Impact EUR	92	40
Impact CHF	19	-1
Impact GBP	5	-
Impact HKD	-	27
Impact RUB	-	2
Impact USD	1	5
Impact SGD	2	-
Impact AUD	-	-
Impact SEK	-	-

From the point of view of the Executive Board, the sensitivity analysis does not depict the actual foreign exchange risk since the risk as of the end of the reporting period does not reflect the risk during the year.

10.1.2 Cash flow and market interest rate risk

The Group's main interest rate risk arises from loans at variable rates, which expose the EQS Group to cash flow interest rate risk. The Group's loans during the reporting period were mainly denominated in Euro.

For the long-term loan with a nominal amount of €7.00 million, EQS Group AG uses an interest rate cap to hedge against an increase in the interest rate. The interest rate limit of the interest cap is 0.00%. The term of the derivative corresponds to the term of the loan.

The loans are measured at amortised cost. They are contractually adjusted to market interest rates on a regular basis (see below) and are also exposed to future changes in market interest rates to the same extent.

The extent of the Group's interest rate risk from loans is as follows:

	Dec. 31,2021 EUR '000	*Dec. 31,2020 EUR '000*
Variable-rate loans	**55,895**	**-**

A presentation of the maturities is shown in note 10.3.2.

Sensitivity

The gain or loss responds to higher/lower interest expense from variable rate loans due to interest rate changes:

Impact on earnings after taxes

	Dec. 31,2021 EUR '000	*Dec. 31,2020 EUR '000*
Interest rates - increase by 100 basis points	**-222**	-
Interest rates - decrease by 100 basis points	**47**	-

10.2 Default risk

Default risks arise from cash and cash equivalents as well as receivables from contracts with customers, which are measured at amortised cost.

10.2.1 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 only entering into business relationships with creditworthy contracting parties and, if appropriate, providing collaterals to reduce the risks of a loss from the non-fulfilment of obligations. The Group only enters into business relationships with solvent companies.

10.2.2 Impairment of financial assets

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

» Trade receivables

» Contract assets.

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

Trade receivables and contract assets

Outstanding receivables from customers are regularly monitored to ensure that the Group is not exposed to a substantial default risk. For foreign customers, dealings are increasingly handled at the parent company based on advance payment.

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

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

In principle, a target term of 14 days is granted. However, this may vary according to the local circumstances on the foreign markets. 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 are no customers who represent more than 5% of the aggregate of trade receivables.

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

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.

The expected loss rates are based on the payment profiles of sales over a period of 12 months prior to Dec. 31, 2021, and the corresponding historical defaults during this period. Historical loss ratios are adjusted to reflect current and forward-looking information on macroeconomic factors that affect customers' ability to pay receivables. The Group has identified IMF Real GDP Growth (International Monetary Funds Gross domestic product) as the most relevant factor and adjusts historical loss rates based on expected changes for this factor.

On this basis, the impairment loss of trade receivables and contract assets as of Dec. 31, 2021, and Dec. 31, 2020 was determined as follows:

EUR '000 *As of Dec. 31, 2020*	*Not overdue*			*Overdue in Days*			***Total***
	0	***1-22***	***22-30***	***30-60***	***60-180***	***>180***	
Gross carrying amounts Trade accounts receivable	2,760	703	135	183	182	174	4,137
Gross carrying amounts of contract assets (IFRS 15)	26	-	-	-	-	-	26
Default rate (%)	-0.1%	-0.3%	-0.7%	-0.5%	-21.4%	-96.0%	
Expected credit loss over the termt	-4	-2	-1	-1	-39	-167	-214

EUR '000 *As of Dec. 31, 2021*	*Not overdue*			*Overdue in Days*			***Total***
	0	***1-22***	***22-30***	***30-60***	***60-180***	***>180***	
Gross carrying amounts Trade accounts receivable	4,618	1,680	106	341	488	579	7,812
Gross carrying amounts of contract assets (IFRS 15)	78	-	-	-	-	-	78
Default rate (%)	-0.3%	-0.7%	-1.9%	-1.8%	-51.2%	-87.9%	
"Expected credit loss over the term"	-15	-12	-2	-6	-250	-509	-794

Change in valuation allowance:

	Dec. 31,2021 EUR '000	*Dec. 31,2020 EUR '000*
Opening balance sheet values in accordance with IFRS 9	**214**	304
Increase in allowance for credit losses recognized in profit or loss	**454**	134
Decrease in allowance for credit losses recognized in profit or loss	**-42**	-
Amounts written off as uncollectible during the year	**168**	-224
Balance at the end of the year	**794**	**214**

10.2.3 Significant estimates and exercising discretion

The impairments for financial assets are based on assumptions about default risk and expected loss rates. The Group exercises discretion in making these assumptions and selecting the input factors to calculate the impairment based on the Group's past experience, existing market conditions and forward-looking estimates at the end of each reporting period. The most important assumptions and input factors used are explained in more detail in the section above.

10.3 Liquidity risk

In the final analysis, the responsibility for liquidity risk management lies with the executive 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.

10.3.1 Financing agreements

At the end of the reporting period, the Group had unused credit lines of €2.56 million (Dec. 31, 2020: €1.56 million) at its disposal. The Group expects to be able to meet its other obligations by operating cash flows and received revenues upon maturity of financial assets.

10.3.2 Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into their respective maturity bands based on their contractual maturities for all non-derivative financial liabilities.

The amounts shown in the table are the contractual undiscounted cash flows. Balances due within 12 months correspond to their carrying amounts, as the effect of discounting is not significant.

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

As of Dec. 31, 2020	*Effective interest %*	*Up to one year EUR '000*	*between 1 to 5 years EUR '000*	*Over 5 years EUR '000*	*Total EUR '000*	***Book value EUR '000***
Trade accounts payable	-	2,747	-	-	2,747	**2,747** *
Leasing liabilities	-	1,735	4,504	100	6,339	**6,120**
Fixed-interest bank loans	2.03%	1,490	3,186	-	4,676	**4,582**
Security deposits	-	10	-	-	10	**10**
Bank overdrafts / credit card settlements	-	22	-	-	22	**22**
Other loans	-	185	-	-	185	**185**
Total		**6,189**	**7,690**	**100**	**13,979**	**13,666**

*Prior-year figures restated. Please refer to section 20.1.4 Changes in presentation and reclassifications.

As of Dec. 31, 2021	*Effective interest %*	*Up to one year EUR '000*	*between 1 to 5 years EUR '000*	*Over 5 years EUR '000*	*Total EUR '000*	***Book value EUR '000***
Trade accounts payable	-	3,197	-	-	3,197	**3,197**
Leasing liabilities	-	2,171	3,959	14	6,144	**6,026**
Fixed-interest bank loans	1.80%	3,187	-	-	3,187	**3,150**
Variable-interest bank loans	5.11%	53,576	4,598	-	58,174	**55,109**
Contingent consideration	-	-	1,608	-	1,608	**1,608**
Security deposits	-	10	-	-	10	**10**
Bank overdrafts / credit card settlements	-	73	-	-	73	**73**
Other loans	-	17,046	-	-	17,046	**17,046**
Total		**79,260**	**10,165**	**14**	**89,439**	**86,219**

10.4 Financial instrument categories

The table below shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The fair value of cash and cash equivalents, trade receivables, other financial assets, trade payables, short-term loans and other current liabilities approximates their carrying amount primarily due to the short-term maturities of these instruments.

There are also no disclosures to be made on the fair value of lease liabilities for the current year.

As of Dec. 31, 2020	*Amortized Acquisition costs EUR '000*	*Income effective at Fair value measured EUR '000*	*Fair Value EUR '000*	*Fair value hierarchy*
Financial Assets				
Long-term loans to managing directors and employees in management positions	514		514	3
Long-term deposits	218		218	3
Financial liabilities				
Loans from banks	4,582		4,676	3
Deposits	10		10	3

As of Dec. 31, 2021	*Amortized Acquisition costs EUR '000*	*Income effective at Fair value measured EUR '000*	*Fair Value EUR '000*	*Fair value hierarchy*
Financial Assets				
Long-term loans to managing directors and employees in management positions	380	-	380	3
Long-term deposits	281	-	281	3
Derivatives not designated as hedging instruments	23	-	23	1
Financial liabilities				
Loans from banks	58,259	-	61,361	3
Deposits	10	-	10	3
Contingent consideration	-	1,608	1,608	3

The fair value of loans to executive directors and employees in management positions corresponds to the carrying amount. The fair value was determined based on the discounted cash flows using a current borrowing rate. This is classified in Level 3 of the fair value hierarchy as a result of unobservable input parameters, including counterparty default risk.

The fair values of the bank loans are based on the discounted cash flows, using the current market interest rate for such financing. They are categorised as Level 3 fair values in the fair value hierarchy due to the use of unobservable input factors, including own credit risk.

The fair value of the contingent consideration was determined as the discounted expected value of future payments. As a result of unobservable input parameters, this is classified in level 3 of the fair value hierarchy

11 Capital management

11.1 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 liabilities (borrowings minus cash and cash in bank) and the Group's equity. This comprises issued shares, additional paid-in capital, retained earnings, other reserves and non-controlling interests.

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

The Board of Management monitors capital using a gearing ratio, the ratio of net financial debt to the sum of equity and net financial debt. Net financial debt comprises interest-bearing loans, trade payables plus other liabilities and less cash and cash equivalents. Equity comprises equity attributable to the shareholders of the parent company. Covenants are monitored by budget target/actual comparisons and monthly reporting.

	Dec. 31,2021 EUR '000	*Dec. 31,2020 EUR '000*
Financial liabilities	**86,219**	13,666 *
Income tax liabilities and other current and non-current liabilities.	**29,453**	8,763 *
Cash	**-8,653**	-12,074
Net debt	**107,019**	**10,354 ***
Equity	**70,240**	32,944
Shareholders' equity and Net financial debt	**177,258**	**43,298 ***
Debt-equity ratio	**60.4%**	**23.9% ***

*Previous year figures adjusted. Please refer to section 20.1.4 Changes in presentation and reclassifications

12 Events after the balance sheet date

Although it is difficult to assess the impact, the Corona virus is likely to affect the global economy on both the demand and supply side. Nevertheless, it is still not expected to have a significant impact on the Group's business.

Similarly, the current war in Ukraine poses a significant risk to the global economy. A further escalation of the crisis within Europe or even globally could have serious economic consequences. The direct share of sales from our Russian business, which in the worst case could be fully affected by sanctions, is less than 3%.

In the course of a chain merger, Business Keeper GmbH was merged into ICS International Compliance Software Beteiligungs GmbH. This was subsequently merged into ICS International Compliance Software Beteiligungs Group GmbH, which has since operated under the name Business Keeper GmbH. The merger and change of name were entered in the Commercial Register of the Charlottenburg Local Court on Jan. 13, 2022. Thus, a decisive step for the integration of Business Keeper GmbH into EQS has been completed.

Due to the delayed implementation of the Whistleblowing Directive, EQS has agreed with Commerzbank AG on an adjustment of the financial Covenants for the financial year 2022 in exchange for the payment of an unscheduled special repayment of €5 million until Mar. 31, 2022. The amendment agreement was concluded on Feb. 4, 2022.

On Feb. 25, 2022, the Executive Board of the Company resolved, with the approval of the Supervisory Board, to increase the share capital of the Company from € 8,659,476.00 by €1,443,246.00 to €10,102,722.00 by issuing 1,443,246 new registered no-par value shares, each representing €1.00 of the share capital of the Company, by utilizing the Authorized Capital 2021 created by resolution of the Annual General Meeting of the Company on May 14, 2021. A total of 1,364,736 (approx. 94.6%) of the 1,443,246 offered new shares have been placed. In order to be effective, the capital increase still requires the registration for the commercial register. The implementation of the capital increase is expected to be entered in the commercial register on Mar. 29, 2022. This resulted in gross issue proceeds of €45,036,288 on Mar. 15, 2022, which will be used for the (partial) repayment of loans and investments in the development of a product offering for the ESG area and related acquisitions.

Other information

13 Transactions with related parties

Related parties within the meaning of IAS 24 are companies or people that control or are controlled by the Group. Control exists when a shareholder has decision-making power over the Group company based on voting rights or other rights, participates in positive and negative returns and can influence these returns through its decision-making power.

In addition, people and their close family members are considered related parties if they exercise significant influence over the Group or hold a key position in the management of the Group or parent company. The Group has identified its executive directors and members of the Supervisory Board as related parties. All transactions with related parties are conducted at arm's length.

13.1 Transactions with related parties

Rendered or purchased services

	Services rendered		*Services received*	
	FY 2021 EUR '000	*FY 2020 EUR '000*	***FY 2021 EUR '000***	*FY 2020 EUR '000*
Members of the management in key positions of the company or its parent company	**-**	-	**159**	162
Total	**-**	**-**	**159**	**162**

Dividends and interest

	Dividends and Interest received		*Dividends and Interest paid*	
	FY 2021 EUR '000	*FY 2020 EUR '000*	***FY 2021 EUR '000***	*FY 2020 EUR '000*
Members of the management in key positions of the company or its parent company	**19**	-	**-**	33
Total	**19**	**-**	**-**	**33**

13.2 Outstanding balances from transactions with related parties

	Receivables from related parties and persons		Liabilities to related related parties and persons	
	Dec. 31,2021 EUR '000	*Dec. 31,2020 EUR '000*	**Dec. 31,2021 EUR '000**	*Dec. 31,2020 EUR '000*
Members of the management in key positions of the company or its parent company	**-**	-	**139**	162
Total	**-**	**-**	**139**	**162**

Loans from / to related parties

	Loans granted		Loans received	
	Dec. 31,2021 EUR '000	*Dec. 31,2020 EUR '000*	**Dec. 31,2021 EUR '000**	*Dec. 31,2020 EUR '000*
Members of the management in key positions of the company or its parent company	**237**	559	**-**	-
Total	**237**	**559**	**-**	**-**

As of the balance sheet date, there is a loan receivable of €237k from the Executive Board member André Silvério Marques. The loan has a term until Apr. 30, 2022, and was used to purchase 59,500 no-par value shares in EQS Group AG. The loan is subject to 2% p.a. interest.

13.3 Remuneration for key management personnel

	FY 2021 EUR '000	*FY 2020 EUR '000*
Short-term benefits	**1,682**	1,374
Post-employment benefits	**177**	116
Total	**1,859**	**1,490**

14 Share-based payment

The employee stock option plans are designed to provide long-term incentives for employees. Under these plans, participants are granted shares that vest only if certain performance conditions are met.

14.1 Share plans

Description of the share-based payment arrangement

The Group has set up two share participation programmes for employees. Pursuant to the plan, matching shares are granted to participants when certain prerequisites are met. The matching shares are issued to any employees of EQS Group AG and its Group companies who acquire EQS shares over a period of maximum 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 executive 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 granted shares are kept in a bank custody for the entire term. Where the plan terms are met in full at the end of the holding period, the matching shares are distributed to the participants.

14.2 Fair value of granted shares

Fair value of matching 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

	Date of grant Jan. 2021	*Date of grant Jan. 2020*
Fair value at measurement date (in EUR)	**26.60**	62.00 *
Expected volatility (in %)	**38.2%**	31.0%
Expected life (in years)	**2.00**	2.00
Expected dividends (in EUR)	**-**	-
Risk-free interest rate (in %)	**-0.6%**	0.0%

* This is the fair value before the share split on October 6, 2020 (1:5).

Savings plan 2

	Date of grant Jan. 2021	*Date of grant Jan. 2020*
Fair value at measurement date (in EUR)	**26.60**	62.00 *
Expected volatility (in %)	**38.2%**	41.0%
Expected life (in years)	**3.00**	3.00
Expected dividends (in EUR)	**-**	-
Risk-free interest rate (in %)	**-0.6%**	0.0%

*This is the fair value before the share split on October 6, 2020 (1:5).

The expected volatility is based on an assessment of the historical volatility of the share price of EQS Group AG, in particular in the period corresponding to the expected life of the shares.

Reconciliation of the outstanding matching shares

The number of matching shares develops as follows:

	Number 2021	*Number 2020*
Outstanding as of January 1	**20,907**	5,391
Exercised during the year	**10,112**	1,595
Committed during the year	**10,440**	17,111
Outstanding at December 31	**21,235**	**20,907**
Exercisable at December 31	**-**	-

The weighted average share price of the options exercised during the period was €29.80.

Expenses recognised in profit or loss

The effect on the result for the period is €211k (Dec. 31.2020: €133k).

15 Consolidation

15.1 Scope of consolidation

The consolidated financial statement comprises the financial statement of the parent company and the Group companies under its control. Control exists if 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 Group 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.

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

Subsidiaries included in the consolidated financial statements	*Location*	*Share of Equity*	
		Dec. 31, 2021	*Dec. 31, 2020*
Direct investments			
EQS Financial Markets & Media GmbH*	Munich, Germany	100.00%	100.00%
Equity Story RS, LLC	Moscow, Russia	100.00%	100.00%
EQS GROUP AG	Zurich, Switzerland	100.00%	100.00%
EQS Asia Limited	Hong Kong	100.00%	100.00%
EQS Web Technologies Pvt. Ltd.	Kochi, India	99.96%	99.96%
EQS Group Ltd.	London, Great Britain	100.00%	100.00%
EQS Group Inc.	New York, USA	100.00%	100.00%
EQS Group SAS	Paris, France	100.00%	100.00%
EQS Group A/S	Kopenhagen, Denmark	100.00%	-
EQS Group S.r.l.	Milan, Italy	100.00%	-
EQS Group doo	Belgrade, Serbia	100.00%	-
EQS Group GmbH	Vienna, Austria	100.00%	-
ICS International Compliance Software Beteiligungs Group GmbH	Frankfurt am Main, Germany	100.00%	-
EQS Group Regtech S.L.U. (formerly, Business Keeper Espana S.L.U.)	Madrid, Spain	100.00%	-
Indirect investments			
EQS TodayIR Limited **	Hong Kong	100.00%	100.00%
EQS Group (Shenzhen) Ltd. **	Shenzhen, China	100.00%	100.00%
TodayIR (Taiwan) Holdings Limited **	Hong Kong	100.00%	100.00%
EQS Digital IR Pte. Ltd.**	Singapore	100.00%	100.00%
EQS Blockchain Media GmbH ***	Munich, Germany	82.50%	82.50%
"Business Keeper GmbH (formerly,ICS International Compliance Software Beteiligungs GmbH)****"	Berlin, Germany	100.00%	-

* Profit and loss transfer agreement

** Indirect shareholding via EQS Asia Limited

*** Indirect shareholding via EQS Financial Markets & Media GmbH incl. change of previous year

**** Indirect shareholding via ICS International Compliance Software Beteiligungs Group 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 pursuant to Section 264 (3) of the German Commercial Code (HGB) to prepare full annual financial statements and a management report in accordance with the regulations for corporations pursuant to Sections 264 et seq. HGB, and to have them audited and disclosed.

Please refer to note 7.5 with regard to non-controlling interests. The changes in the scope of consolidation are shown below.

15.2 Changes in the scope of consolidation

Business mergers in the financial year

Got Ethics A/S, Copenhagen, Denmark

In January 2021, EQS Group AG acquired 100% of the issued shares in Got Ethics A/S, Denmark, a SaaS provider of digital whistleblowing systems. The acquisition has significantly increased the Group's market share in this industry and complements the Group's existing Compliance Products business.

The purchase price of €10.107 million was paid in cash. The purchase price allocation at the acquisition date resulted in other intangible assets of €4.620 million. The final goodwill of €10.391 million, which is not deductible for tax purposes, represents synergy potential in the form of extensive cross- and upselling potential of the EQS product portfolio to the acquired customers as well as improved market access.

The purchase price allocation has been completed.

In addition to the base purchase price, there are two contractually agreed earn-out components totaling €5.31 million, which were recognized as additional purchase price components and contingent consideration. One earn-out payment was fulfilled and paid by the balance sheet date of Dec. 31, 2021. The second earn-out component is expected to be realized at the beginning of 2023 in an amount of €2.31 million. The occurrence is based on target achievement thresholds defined in the purchase agreement, which were determined in a scenario probability calculation.

In connection with the acquisition, payments for performance-related variable compensation claims of up to €1.078 million may still be due to employees of the acquired company in the period from 2022 to 2026. The occurrence of these subsequent payments is based on the target achievement thresholds defined in the purchase agreement and the retention of the employees in the EQS Group and was determined on the basis of a scenario probability calculation. A payment in the amount of €158k was already realized and paid as of Dec. 31, 2021. The amounts were presented as service cost in personnel expenses in the statement of comprehensive income. Existing accrued interest amounts were recognized in finance costs.

On Jan. 4, 2021, EQS Group AG drew down a bank loan in the amount of €7.00 million to finance the acquisition of Got Ethics A/S. The loan has a term until Dec. 31, 2025 and is to be repaid in quarterly installments. Please refer to note 5.5.

The German subsidiary of Got Ethics A/S, Got Ethics GmbH, Bückeburg, was merged with EQS Group AG, Munich, with retroactive effect from Jan. 1, 2021.

C2S2 GmbH, Bonn

In January 2021, EQS Group AG concluded a participation agreement and an option agreement for the remaining shares in C2S2 GmbH, Bonn. The option was exercised in April 2021 and EQS Group AG therefore holds 100% of the shares in C2S2 GmbH, a SaaS provider for policy management. The acquisition complements the Group's existing Compliance Products business.

The purchase price of €5.469 million was paid in cash. The purchase price allocation at the time of acquisition resulted in other intangible assets of €607k. The final goodwill of €4.862 million, which is not deductible for tax purposes, represents synergy potential. These are on the one hand a comprehensive growth potential for the C2S2 solutions through the sale to EQS Group AG and Business Keeper GmbH customers and on the other hand a better market access in Europe.

The purchase price allocation has been completed.

C2S2 GmbH, Bonn was merged with EQS Group AG, Munich with retroactive effect from Jan. 1, 2021.

Business Keeper GmbH, Berlin

In July 2021, EQS Group AG acquired 100% of the issued ordinary shares in ICS International Compliance Software Beteiligungs Group GmbH, Frankfurt am Main and thereby indirectly 100% of the shares in ICS International Complicance Software Beteiligungs GmbH, Frankfurt am Main, which in turn holds 100% of the shares in Business Keeper GmbH, Berlin, a provider of digital whistleblowing systems. The acquisition has significantly increased the Group's market share in this sector and complements the Group's existing cloud provider business for whistleblowing systems.

The purchase price of €97.000 million was to be paid in cash. The final goodwill of €64.766 million, which is not deductible for tax purposes, represents synergy potential. These are extensive cross- and upselling potentials of the EQS product portfolio to the acquired customers as well as better market access and a strong market position with corresponding pricing power.

The purchase price allocation has been completed.

The purchase of Business Keeper GmbH was financed by a bridge loan in the amount of €50.000 million, which was concluded on Jun. 11, 2021 with a term of 12 months and two six-month extension options (for further details, please refer to note 5.5). In addition, a vendor loan in the amount of €17.000 million was granted, which has a term until August 2022.

As of the balance sheet date, Business Keeper GmbH was merged with the upper company ICS International Software Beteiligungs GmbH with retroactive effect from Apr. 1, 2021 and renamed Business Keeper GmbH, and its registered office was relocated to Berlin.

In the period from Jul. 14 to Dec. 31, 2021, the acquired company generated revenues of €4.694 million and a balance sheet loss of € -344k.

If Business Keeper GmbH had been included in the consolidated financial statements since Jan. 1, 2021, sales and profit after tax would have amounted to €9.948 million and €1.379 million, respectively, in the past fiscal year.

The table below shows the fair values of the assets and liabilities acquired in the above transactions:

EUR '000	*Got Ethics A/S*	*C2S2 GmbH*	*Business Keeper GmbH*	***Total***
Intangible assets	4,620	1,071	44,587	**50,279**
Property, plant and equipment	48	82	1,231	**1,360**
Non-current financial assets	-	-	15	**15**
Deferred tax assets	-	-	266	**266**
Trade accounts receivable	678	103	1,786	**2,567**
Tax refund claims	7	-	295	**302**
Other financial assets	65	-	54	**119**
Other assets	27	2	321	**350**
Cash and cash equivalents	628	78	1,441	**2,147**
Total assets	6,074	1,335	49,998	**57,407**
Non-current financial liabilities	-20	-45	-760	**-825**
Non-current employee benefits	-1	-	-	**-1**
Non-current provisions	-	-	-15	**-15**
Trade accounts payable	-53	-67	-586	**-705**
Contract liabilities	-815	-	-1,705	**-2,520**
Income tax liabilities	-125	-	-12	**-137**
Deferred tax liabilities	-1,016	-353	-13,630	**-14,999**
Current financial liabilities	-12	-22	-204	**-238**
Other current financial liabilities	-12	-60	-5	**-77**
Current employee benefits	-128	-163	-649	**-941**
Other current liabilities	-266	-19	-199	**-484**
Total liabilities	-2,450	-729	-17,764	**-20,943**
Identifiable net assets acquired	3,624	607	32,234	**36,464**
Consideration transferred	14,015	5,469	97,000	**116,484**
Non-controlling interests	-	-	-	**-**
Net assets acquired	3,624	607	32,234	**36,464**
Goodwill	10,391	4,862	64,766	**80,020**

The trade receivables presented represent the gross amounts of the contractual receivables at the acquisition date. There are no assumptions regarding the future uncollectibility of these receivables.

There were no changes to the scope of consolidation in the previous year.

Mandatory and supplementary disclosures according to the HGB

Supplementary disclosures pursuant to Section 315e HGB

16 Number of employees

	FY 2021	*FY 2020*
Development	**239**	160
Marketing / Sales	**85**	73
Data Services	**42**	47
Management / Administration	**73**	51
Design / Content	**62**	32
Newsroom / ERS System	**13**	8
Total	**514**	**371**

From 2021, the number of employees in the Group will also be stated as average figures. Prior-year figures have been adjusted accordingly.

17 Auditor's fee

For the financial year 2021, fee expenses for the auditor totalling €120k (previous year: €104k) were recognised. Of this amount, €120k (previous year: €93k) are attributable to auditing services and €0k (previous year: €11k) to other services. Furthermore, expenses for auditing services from the previous year of €24k were recognised in the 2021 financial year.

18 Executive Board

The Executive Board had the following members in the financial year:

» Achim Weick, Graduate Merchant, Chief Executive Officer, Munich

» Christian Pfleger, Graduate Merchant, Chief Operating Officer, Munich

» André Silvério Marques, Graduate Merchant, MBA, Chief Financial Officer, Munich

» Marcus Sultzer, Graduate Merchant (BA), MBA, Chief Revenue Officer, Pullach i. Isartal

The remuneration of the Board of Management in the financial year 2021 amounted to €1.86 million (previous year: €1.49 million), of which €10k (previous year: €160k) was variable. Of the total compensation, €198k (previous year: €135k) relates to insurance premiums.

There is a loan against a member of the Management Board; we refer to note 13.2.

19 Supervisory Board

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

» Robert Wirth, Graduate Media Marketing Business Management Specialist, Business Consultant and Investor, Amberg (Chairman)

» Laurenz Nienaber, M.Sc., Investor and Managing Director of LMN Capital GmbH, Munich (Vice Chairman)

» Kerstin Lopatta, Prof. Dr., Professor of Financial Accounting, Auditing and Sustainability, University of Hamburg, Hamburg (since May 14, 2021)

» Rony Vogel, Graduate Engineer and MBA, Entrepreneur and Investor, Munich

» Peter Conzatti, M.A. and MBA, Funds Manager, Bad Homburg (till May 14,2021)

The members of the Supervisory Board will receive fixed compensation totaling €175k for their activities in the 2021 financial year.

20 Summary of significant accounting policies and measurement principles

20.1 Basics for compilation

20.1.1 Basics for compilation of the financial statement

The consolidated statement of comprehensive income is prepared using the nature of expense method.

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 on the measurement date. This applies irrespective of whether the price is directly observable or had been estimated by applying 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 the present consolidated financial statement, the fair value for the measurement and/or disclosure requirements 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 on 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.

20.1.2 Amendment to accounting policies – amended standards and interpretations

In the current financial year, the Group applied the following new or amended standards and interpretations for the first time. The amendments did not have any significant impact on the consolidated financial statement.

Amendment/Standard	Date of application (EU)	Brief description
Amendment to IFRS 16 Leases: Rent Concessions	Jun. 1, 2020 / Apr. 1, 2021	Temporary relief for the accounting recognition of COVID 19-related rent concessions
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2	Jan. 1, 2021	Temporary relief for the impact that the replacement of Interbank Offered Rates (IBOR) with alternative, almost risk-free interest rates will have on financial reporting.
Amendment to IFRS 4 Insurance Contracts: Deferral of IFRS 9	Jan. 1, 2021	Extension of the temporary exemption from the application of IFRS 9, so that the insurance companies concerned will continue to be permitted to apply IAS 39 for financial years beginning before Jan. 1, 2023.

20.1.3 New standards and interpretations not yet applied

The following new or amended standards and interpretations have already been adopted by the IASB but are not yet mandatory. The Company has not applied the regulations ahead of time. The Management Board does not expect the amendments to have a material impact on the Group's results.

Amendment/Standard	Date of application (EU)	Brief description
Annual Improvements, 2018-2020 Cycle	Jan. 1, 2022	Individual amendments to IFRS 1, IAS 9, IFRS 16 and IAS 41
Amendments to IFRS 3, IAS 16, IAS 37	Jan. 1, 2022	Narrow scope amendments - IFRS 3: Update of cross-references in IFRS 3, introduction of an exemption in 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 the contract performance”
IFRS 17 Insurance Contracts	Jan. 1, 2023	Principles for recognition, measurement, presentation and disclosure requirements in respect of insurance contracts
Amendment to IAS 1 Presentation of Financial Statements: Classification of Debt with Covenants as Current or Non-current	Jan. 1, 2023	Clarification of existing law: 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 can require an obligation under an existing loan agreement for at least existing credit agreement for at least for at least twelve months after the balance sheet date, the obligation or extended for at least twelve months after the reporting even if it would otherwise be due within a shorter period of time.
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	Jan. 1, 2023	Clarification in IAS 1: Entities shall disclose all significant (material) accounting policies. The amendments define what is meant by “significant accounting policies” and how to identify them.
Amendments to IAS 8: Definition of Accounting Estimates	Jan. 1, 2023	Clarification on how to distinguish between amendments to accounting policies and accounting estimates.
Amendments to IAS 12: Deferred Taxes Related to Assets and Liabilities arising from a Single Transaction	Jan. 1, 2023	Obligation to recognise deferred taxes for transactions that give rise to taxable and deductible temporary differences of equal amount on initial recognition.
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	n/a	Clarification of how the profit or loss from the transfer of assets to an associate or joint venture is to be recognised in full when a business operation is transferred within the meaning of IFRS 3. By contrast, the gain or loss from such a transaction is only to be recognised on a pro-rata basis if the transferred assets do not constitute a business.

20.1.4 Presentation amendments and reclassifications

To optimise the structure of the balance sheet and consolidated comprehensive income statement, EQS Group AG presents the following items as separate items or makes changes to the presentation. As a result, settlement amounts are also reclassified in accordance with IAS 1.41.

Actuarial changes from pension obligations and related deferred taxes are combined with the foreign currency reserve under "other reserves" item in the statement of changes in equity in order to defer valuation effects. The previous presentation in the capital reserve has been reclassified to other reserves. The previous designation of foreign currency differences has been renamed as a result of this reclassification to other reserves. The reclassification from the capital reserve to other reserves amounted to €15k for the carryforward value as of Jan. 1, 2020.

The effects on the balance sheet are presented and explained in more detail below:

		Dec. 31,2020		***Dec. 31,2020***
	Appendix	*EUR*	*Reclassifications*	***(reclassified)EUR***
Non-current assets				
Intangible assets		14,118,018	-	**14,118,018**
Goodwill		16,898,283	-	**16,898,283**
Property, plant and equipment		7,215,884	-	**7,215,884**
Non-current financial assets		732,863	-	**732,863**
Other non-current assets	C	481,683	-439,865	**41,819**
		39,446,730	**-439,865**	39,006,865
Current assets				
Trade receivables		3,923,150	-	**3,923,150**
Contract assets*	A	25,864	-	**25,864**
Tax refund claims		31,817	-	**31,817**
Current financial assets		138,363	-	**138,363**
Other current assets		892,586	-	**892,586**
Cash and cash equivalents		12,074,462	-	**12,074,462**
		17,086,241	**-**	**17,086,241**
Total assets		**56,532,971**	**-439,865**	**56,093,106**

*Previously “Construction Contracts”

	Appendix	Dec. 31,2020 EUR	Reclassifications	**Dec. 31,2020 (reclassified) EUR**
Equity				
Subscribed capital		7,524,890	-	**7,524,890**
Treasury stock		-7,361	-	**-7,361**
Capital reserve	B	20,667,300	224,011	**20,891,311**
Retained earnings		4,706,320	-	**4,706,320**
Foreign currency differences	B	53,083	-53,083	**-**
Other reserves	B		-170,928	**-170,928**
Non-controlling interests		12	**-**	**12**
		32,944,243	**-**	**32,944,243**
Non-current liabilities				
Long-term employee benefits	C	-	453,416	**453,416**
Non-current provisions	C	1,050,881	-893,281	**157,600**
Non-current financial liabilities		7,641,043	-	**7,641,043**
Other non-current liabilities		-	-	**-**
Deferred tax liabilities		2,516,219	-	**2,516,219**
		11,208,143	**-439,865**	**10,768,278**
Current liabilities				
Current provisions	A,C,D	1,990,433	-1,881,133	**109,300**
Trade accounts payable	D	1,650,656	1,096,184	**2,746,840**
Contract liabilities**	A	109,300	4,391,316	**4,500,616**
Current financial liabilities	D	3,275,962	1,841	**3,277,803**
Income tax liabilities		55,947	-	**55,947**
Current employee benefits	C	-	1,062,793	**1,062,793**
Other current liabilities	A,C,D	5,298,287	-4,671,001	**627,286**
		12,380,586	**-**	**12,380,586**
Total equity and liabilities		**56,532,971**	**-439,865**	**56,093,106**

** Previously "Liabilities from percentage-of-completion"

A. Contract assets and contract liabilities

In accordance with standard practice, the "Construction contracts with an asset-side balance" and "Construction contracts with liability-side balance" items are being renamed "Contract assets" and "Contract liabilities".

Advance payments received in the amount of €4,501k were reclassified from other current liabilities to contract liabilities to reflect the nature of the obligations. On the other hand, provisions for onerous contracts were reclassified to current provisions (€109k).

B. Equity

Actuarial changes from pension obligations and the associated deferred taxes are combined with the foreign currency reserve in the "Other reserves" item to delimit the valuation effects. The reclassification from the capital reserve to other reserves amounted to €224k for the year 2020.

C. Employee benefits

Liabilities related to employee benefits, such as liabilities from wages and salaries, bonus payments, holiday obligation and social benefits, were reclassified from other liabilities and provisions into separate "Employee benefits" items, divided into current and non-current obligations. Management considers it more appropriate to present all employee benefit obligations in a separate balance sheet item.

The effect of the reclassifications for the financial year 2020 can be broken down as follows:

- Reclassification of provisions for pension obligations from non-current provisions to non-current employee benefits of €893k
- Reclassification of plan assets from pension obligations from other non-current assets to non-current employee benefits of €440k
- Reclassification of bonus obligations and current pension obligations from current provisions to current employee benefits of €825k
- Reclassification of miscellaneous employee benefit liabilities from other current liabilities to current employee liabilities of €238k.

D. Accrued liabilities

Accrued liabilities have been reclassified from current provisions to trade payables (of €1,096k) and other current liabilities (of €70k) to clarify the nature of the liability.

The effects on the consolidated comprehensive income statement are presented and explained in more detail below:

	Appendix	Dec. 31,2020 EUR'000	Reclassifications	Dec. 31,2020 (reclassified) EUR'000
Continuing operations				
Sales		37,636	-	**37,636**
Other income	E,F	473	-59	**414**
Own work capitalized		1,671	-	**1,671**
Purchased services		-7,265	-	**-7,265**
Personnel expenses		-20,847	-	**-20,847**
Other expenses	E,F	-6,908	371	**-6,537**
Expenses/income from write-down of trade accounts receivable	E	-	-312	**-312**
EBITDA		**4,760**	**-**	**4,760**
Depreciation		-4,597	-	**-4,597**
Operating result (EBIT)		**163**	**-**	**163**
Financial income	G	109	191	**299**
Financial expenses	G	-505	-191	**-695**
Financial result		**-396**	**-**	**-396**
Earnings before taxes (EBT)		-233	-	**-233**
Income taxes		-599	-	**-599**
Consolidated earnings		**-832**	**-**	**-832**
- of which attributable to shareholders of the parent company		-866	-	**-866**
- of which attributable to non-controlling shareholders		34	-	**34**
Items that will be reclassified to the consolidated statement of comprehensive income in the future under certain conditions:				
Foreign currency differences		-216	-	**-216**
Value adjustments IAS 19		-209	-	**-209**
Other comprehensive income		-424		**-424**
Total comprehensive income		**-1,256**	**-**	**-1,256**
- of which attributable to shareholders of the parent company		-1,290	-	**-1,290**
- of which attributable to non-controlling shareholders		34	-	**34**
Earnings per share attributable to shareholders of the parent (basic and diluted)		-0.12	-	**-0.12**

E. Expenses/income from the impairment loss of trade receivables

Expenses and income from the impairment loss of trade receivables have been reclassified from other income and other expenses to the separate "Expenses/income from the impairment loss of trade receivables" item. As a result, other income decreased by €6k and other expenses by €318k. A separate presentation provides users of the financial statements with a structured view of the Group's financial position.

F. Other income

Income from the reversal of provisions of €53k was recognised in other expenses and is therefore reversed in this item.

G. Financial result

In order to streamline consolidated comprehensive income statement, separate presentation of other financial income and expenses was combined with interest income and expenses to form the financial income and expenses item. The foreign currency gains and losses are recognised as gross in the notes for this balance sheet.

20.2 Business acquisitions and changes to the scope of consolidation

A Group company will be included in the consolidated financial statement from the date on which the parent company gains control over a Group company until the date on which the control by the parent company ends. In this context, the results of the Group companies acquired or sold during the year are recognised 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 are attributable to the shareholders of the parent company and to the non-controlling shareholders. This applies even if this results in the non-controlling shareholders having a negative balance. Where necessary, the Group companies' annual financial statements are adapted to align the accounting policies with the policies applied in the Group.

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

Loss of control

If the Group loses control of a Group company, the deconsolidation profit or loss is recognised through profit or loss. It is determined from the difference between:

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

- carrying amount of the assets (including goodwill), and
- Group company's liabilities and all non-controlling interests.

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

Where the Group retains interests in the previous Group company, 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 associated companies or joint ventures.

Acquisition of Group companies

The acquisition of businesses is accounted for using the acquisition method. The consideration transferred in the event of a business merger is measured at the fair value. This is determined as the aggregate of the acquisition-date fair values of the transferred assets, liabilities assumed from the acquired company's previous owners and equity instruments issued by the parent company in exchange for control of the acquired company. Transaction costs associated with the business merger are recognised through profit or loss as incurred.

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 company 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. If the resulting difference is negative, it is directly recognised as income through profit or loss.

Non-controlling shareholders' interests that currently convey ownership rights and grant the holder the right, in the event of liquidation, to acquire a proportional interest in the company's net assets are measured upon receipt either at the fair value or at the identifiable net asset's corresponding interest. This option can be exercised again with each business merger. Other components of non-controlling shareholders' interests 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 on the acquisition date. Changes in the fair value of the contingent consideration within the measurement period are corrected retroactively and recognised accordingly against goodwill. Corrections during the measurement period are adjustments to reflect additional information about facts and circumstances that exist on the acquisition date. However, the measurement period must not exceed one year from the acquisition date.

Any changes in the fair value of the contingent consideration that do not depict corrections during the measurement period are accounted for depending on how the contingent consideration is classified. If the contingent consideration is equity, it is not subsequently measured at subsequent reporting dates and its fulfilment is accounted for in equity. Contingent consideration, which is an asset or liability, is measured at fair value at subsequent reporting dates and any resulting gain or loss is recognised in the consolidated comprehensive income statement.

20.3 Foreign currency translation

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 financial statement date, 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 on the date they are recognised in the balance sheet for the first time.

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

» Any exchange differences from borrowings denominated in foreign currency accruing during the creation process of assets intended for productive use that are allocated to the manufacturing cost, if they are adjustments of the interest expense from such borrowings denominated in foreign currency;

» Exchange differences from transactions entered to hedge specific foreign currency risks;

» Any exchange differences from monetary items to be received from or paid to a foreign business, the fulfilment of which is neither scheduled nor likely to be settled and therefore form part of the net investment in such foreign business, which are initially recognised in other comprehensive income and transferred from equity into profit and loss upon sale.

To compile the consolidated financial statement, the assets and liabilities of the Group's foreign businesses are translated into euro 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 on the transaction date are applied. Exchange differences from the translation of foreign businesses into the Group's currency are recognised in the other comprehensive income and accumulated in other reserves in equity.

Any goodwill resulting from the acquisition of a foreign business, as well as adjustments 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 recognised in the other reserve from the currency translation.

20.4 Recognition of sales revenue

The accounting policies for the Group's revenue from contracts with customers are explained in note 3.2.

20.5 Income taxes

Income tax expense/income represents the sum of current and deferred tax expense/income for the current period including prior periods.

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

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 in the consolidated comprehensive income sstatement due to (non-)taxable or (non-)tax-deductible expenses and income in subsequent years. The Group's liability for the current taxes is calculated based on the applicable tax rates.

Deferred taxes are recognised for the differences between the carrying amounts of the assets and liabilities in the consolidated financial statement and the corresponding tax valuations in the calculation of the taxable income and tax losses carried forward. Deferred tax liabilities are accounted for generally, for all taxable temporary differences; deferred tax assets are recognised to the extent that it is likely that taxable profits are available for which the deductible temporary differences can be used. Such deferred tax assets and liabilities are not recognised if the temporary differences or tax losses carried forward result from goodwill or from the initial recording (except for business mergers) of other assets and liabilities resulting from incidents affecting neither the taxable income nor the net income for the year.

Deferred tax liabilities are formed for taxable temporary differences arising from interests in Group companies, unless the Group is able to control 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 related to interests in Group companies are only recognised 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 to settle the liability or recover the asset on the date of the financial statement.

20.6 Leases

20.6.1 EQS as lessee

As a lessee, the Group generally recognises a right-of-use asset and a liability for the payment obligation for all leases at the time the leased asset is available for use by the Group. Exceptions exist for short-term leases and leases of 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 leases with a term of up to 12 months. Assets with a low value of up to USD 5,000 include operating and office equipment. Rights of use over intangible assets that are not already explicitly excluded from the scope of IFRS 16 are optionally not accounted for under the right-of-use model.

To maintain operational flexibility, the Group leases real estate, as well as operating and office equipment. At the start of the contract, an assessment is made as to whether the contract constitutes or contains a lease. A lease is a contract that conveys the right to use an asset (the underlying leased asset) for an agreed period of time in exchange for a fee.

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, discounting is carried out with a risk- and maturity-equivalent marginal borrowing rate if it is not possible to determine the implicit interest rate. The current portion of the lease liability to be shown separately in the balance sheet is determined by the repayment portion included in the lease payments for the next twelve months.

The acquisition value of the liability is also the starting point to determine the acquisition costs of the right of use. The acquisition costs of the right of use also include initial direct costs and expected costs with a restoration obligation that do not relate to a property, plant and equipment item. Prepayments increase and lease incentives received reduce the acquisition value. All the rights of use are measured at amortised cost. Depreciation is calculated on a straight-line basis over the shorter of the lease term and the identified asset’s useful life. If events or changes in circumstances indicate an impairment, an impairment test is carried out in accordance with IAS 36.

Rental agreements are usually concluded for fixed periods of up to 10 years but may have renewal and termination options. In the context of determining the lease term, all facts and circumstances are taken into account that provide an economic incentive to exercise existing options. The assumed 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 a change occurs with regard to the reasonably certain exercising or non-exercising of an existing option. To ensure entrepreneurial flexibility, extension and termination options are agreed, especially for real estate leases.

Contracts can include both lease and non-lease components. The Group only makes use of the option for the Group company in India not to separate lease and non-lease components, but to account for the contract as a whole as a lease. Variable lease payments are only incurred to an insignificant extent and the Group does not issue any residual value guarantees. Significant leasing agreements have also not been contractually agreed whose use has not yet commenced.

20.6.2 EQS as lessor

Operating leases

Leases in which the Group acts as lessor are classified as finance or operating leases. The lease is classified as a finance lease if the terms essentially transfer all the risks and rewards associated with ownership to the lessee. All other leases are classified as operating leases.

The Group only enters into lease agreements as a lessor for rented properties. For these subleases, the Group acts as an intermediary and accounts for the main lease and sublease as two separate contracts. The sublease is classified into finance and operating lease on the basis of the right of use and not the underlying asset from the main lease.

Subleases are classified exclusively as operating leases and are recognised as rental income on a straight-line basis over the term of the respective lease. Initial direct costs to negotiate and agree the sublease are not added to the carrying amount of the leased property for materiality reasons. The subleases exclusively comprise leasing components.

Finance leasing

The Group does not hold any leases that are classified as finance leases.

20.7 Impairment of assets

On each financial statement date and upon a triggering event, the Group reviews the carrying amounts of property, plant and equipment as well as all 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 impairment testing purposes, goodwill upon acquisition is allocated to those cash-generating units in the Group that are expected to benefit from the synergies of the merger.

For intangible assets having an indefinite useful life or not yet available for use, impairment testing 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 a pre-tax rate takes account, on one hand of the current market assessment of the fair value and, on the other hand, of the risks inherent in the asset, unless they had already been considered in the estimate of 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 recognised directly 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 a 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. Impairment loss recognised for goodwill must 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 recognised for the asset or cash-generating unit in previous years. Reversal of an impairment loss is recognised directly in profit or loss.

20.8 Cash and cash equivalents

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.

20.9 Financial assets and liabilities

21.9.1 Classification

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 (financial assets at fair value with changes in value recognized in profit or loss)

20.9.2 Recognition and derecognition

Upon initial recognition, a financial asset (except for a trade receivable without material financial component) or a financial liability is measured at fair value. For an item not classified and measured as FVTPL, the transaction costs directly attributable to its acquisition or expenditure are added on. Upon initial recognition, trade receivables without significant financial components are measured at the transaction price.

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 carried out 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 adjusted liability are significantly different. In this case, a new financial liability based on the amended terms is recognised 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 recognised in profit or loss.

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

20.9.3 Measurement

Financial assets – classification, subsequent measurement and profits and losses

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 reporting period 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 has not been designated as FVTPL:

» The objective of the business model, within the framework of which the financial asset is held, 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 principal and interest payments on the principal amount outstanding.

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

» The objective of the business model, within the framework of which the financial asset is held, 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 principal and interest payments on the principal amount outstanding.

If an equity investment is not held for trading, an irrevocable election may be made at initial recognition to show subsequent measurement in other comprehensive income. This election is made for each investment on a case-by-case basis.

All financial assets not measured at amortised cost or at FVOCI are measured at FVTPL. This includes all derivative financial assets. Derivatives are measured at fair value upon initial recognition. As part of the subsequent measurement, derivatives are measured at fair value. Resulting changes are principally recognised in profit or loss. The Group can make an irrevocable election at initial recognition to designate financial assets otherwise meeting the conditions for the measurement at amortised cost or for FVOCI as FVTPL, if doing so eliminates or significantly reduces otherwise arising accounting mismatches.

Financial liabilities – classification, subsequent measurement and profits and 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 recognised 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 recognised in profit or loss. Profits or losses from derecognition are recognised in profit or loss as well.

Equity instruments

Dividends from a Group company are recognised in the Group's separate financial statements when the company becomes legally entitled to the dividend. The dividend is recognised in profit or loss under other income.

20.9.4 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 rules of IFRS 9, there was no need to form a risk provision due to the short-term instruments and their probability of default.

The Group applies the simplified approach under IFRS 9 to measure expected credit losses. Accordingly, the credit losses expected over the term are used for all trade receivables and contract assets.

For measuring expected credit losses, trade receivables and contract assets were aggregated based on common credit risk characteristics and days past the due date. Contract assets relate to work in progress that has not yet been invoiced and have essentially the same risk characteristics as trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets. For further details, see note 10.2.2.

20.10 Property, plant & equipment

Office and business equipment as well as commercial buildings are disclosed at acquisition or manufacturing cost less accumulated scheduled depreciations and recognised 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. Changes in estimates are taken into account prospectively.

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 recognised through profit or loss in the comprehensive income statement in the period in which the asset is derecognised.

20.11 Intangible assets

20.11.1 Concessions, industrial property rights and similar rights and assets

Separately acquired intangible assets with finite useful lives

Intangible assets with a finite useful life that are acquired separately, i.e. not in a business combination, are recognised at acquisition cost, less accumulated amortisations and impairments. The amortisations are recognised 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 taken into account prospectively.

Goodwill

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

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

Internally generated intangible assets – research and development costs

The creation process of internally generated intangible assets must be divided into a research phase and a development phase. Only the development phase costs can be capitalised. Costs for research activities are charged to expense in the period of their accrual. If the research phase cannot be separated from the development phase, the costs shall be 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 Group intends to complete and to use or sell the intangible asset.

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

The amount at which an internally generated 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 an internally generated intangible asset cannot be capitalised or no intangible asset yet exists, the development costs are recognised through profit or loss in the period of their accrual.

All research and development expenses not eligible for capitalisation were recognised as expense in the period in which they were incurred (€3.19 million; previous year: €2.79 million).

In subsequent periods, internally generated 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 acquired as part of a business merger

Intangible assets acquired as part of a business merger are recognised separately from goodwill and measured at their fair value on the acquisition date.

In subsequent periods, intangible assets acquired as part of a business merger 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 must be derecognised upon its disposal or where no further economic benefit is expected from its use or disposal. The profit or loss from the derecognition of an intangible asset, measured at the difference between the net disposal revenue and the carrying amount of the asset, is recognised in the consolidated comprehensive income statement upon derecognition of the asset. This is disclosed in the other income or other expenses.

20.11.2 Depreciation methods and periods

For details on the depreciation methods and periods applied by the Group for intangible assets, please refer to note 6.1.1.

20.12 Trade payables and other financial liabilities

These amounts relate to outstanding payables for goods and services received by the Group before the end of the financial year. The amounts are unsecured and are usually paid within 30 days of posting. Trade payables and other financial liabilities are recognised as current liabilities unless they are not due to be settled within 12 months of the reporting period. They are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

20.13 Loans taken out

Loans taken out are initially recognised at fair value less transaction costs incurred. Subsequently, the loans are measured at amortised cost. Differences between the amounts received (net transaction costs) and the repayment amount are recognised in the comprehensive income statement over the term of the loans using the effective interest method. Credit facility establishment fees are recognised as transaction costs under the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until use. Unless there is evidence that drawdown of part or all of the facility is probable, the fee is capitalised as an advance payment for financial services and amortised over the term of the facility it relates to.

Loans are derecognised as soon as the contractual obligation is settled, cancelled or expires. The difference between the carrying amount of a financial liability derecognised or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised as other income or finance costs in the other comprehensive income statement.

Loans are recognised as current liabilities unless the Group has an unconditional right to defer settlement of the obligation for at least 12 months after the reporting period.

20.14 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 recognised all borrowing costs through profit or loss in the period of their accrual.

20.15 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 fulfilment 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 fulfil 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 fulfilment 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 a 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 recognised as a provision. The existence of an onerous contract is assumed if the Group is the 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.

Obligations to reverse constructional changes

Obligations to reverse constructional changes exist in particular in the area of real estate leasing. Provisions for expenses to reverse constructional changes are recognised when the obligation arises at the commencement of the lease or as a result of the use of the property during the lease term. For the measurement, the best possible estimate is made of the expenses incurred that are necessary to restore the leased asset. The estimates are reviewed regularly and adjusted if necessary.

20.16 Employee benefits

20.16.1 Current employee benefits due

Liabilities for wages and salaries, including non-monetary benefits, for annual leave and for overtime that are expected to be settled in full within 12 months after the end of the period in which the employees render the related services are recognised for the employees' services until the end of the reporting period and measured at the amounts expected to be paid to settle the liabilities. Liabilities are recognised as current employee benefit liabilities in the consolidated balance sheet.

20.16.2 Benefits after termination of the employment relationship

In the case of defined contribution plans, the Company pays contributions to public or private pension insurance institutions on the basis of statutory or contractual provisions or on a voluntary basis. After payment of the contributions, no further payment obligations arise for the Group. The contributions are recognised as personnel expenses when due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments has been made.

In addition, defined benefit pension plans exist in various foreign companies:

Switzerland

The amount of the benefits depends on the length of employment and the salary of the beneficiaries in the years before retirement and ensures them lifelong pension payments. Retirement is at the age of 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 BVG coordination deduction, but at least 100% of the minimum insured salary and limited to the maximum insurable salary under the BVG.

The defined benefit plans are managed by a single fund that is legally independent from the Group. The pension fund's Board of Directors is required by law and its Statutes to act in the interests of the fund and its relevant beneficiaries, i.e. active employees, inactive employees, pensioners and employers. The Board of Directors is responsible for the management and 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.

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

India

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

The pension plan is not funded.

France

The plan provides for a lump-sum benefit upon retirement, provided that the employee has already acquired the entitlement and is in employment with the Group at the time of retirement.

The pension plan is not funded.

Italy

The plan provides a lump-sum benefit upon termination based on length of service and annual compensation.

The pension plan is not funded.

Serbia

The plan provides a lump-sum benefit upon retirement based on length of service and annual compensation.

The pension plan is not funded.

Funding

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

20.17 Government grants

Government grants are recognised when there is reasonable assurance that the grants will be received and that the Group will comply with the conditions attached to them.

Government grants will be recognised in profit or loss on a systematic basis over the periods in which the Group recognises the related costs for which the government grants are intended to compensate as expenses. Government grants are deducted from the corresponding expenses.

20.18 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 recognized at the proceeds received, net of any directly attributable issue costs. Issuing costs are costs that would not have been 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 recognised 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.

20.19 Dividends and interest income

Dividend income from shares is recognised once the Group'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 recognised 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 recognition.

20.20 Rounding of amounts

Unless stated otherwise, all amounts disclosed in the financial statements and notes are rounded to the nearest thousand (EUR'000/€k) of the currency units.

20.21 Share-based payment

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 financial statement date, 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 recognised through profit or loss. They are recognised such that the total expense reflects the change in estimates and results in the reserve being adapted by equity instruments accordingly.

20.22 Earnings per share

The basic earnings per share are determined by dividing the earnings share after taxes attributable to the parent company'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.

21 Approval of the Financial Statement

The Executive Board approved and released the financial statement for publication on March 24, 2022.

Munich, March 24, 2022.

Achim Weick	Christian Pfleger	André Silvério Marques	Marcus Sultzer
(Founder and CEO)	(COO)	(CFO)	(CRO)

Financial Calendar of EQS Group AG

March 25, 2022	Publication of Annual Report
May 13, 2022	Publication quarterly statement (call-date Q1)
May 23, 2022	Spring Conference
June 02, 2022	m:access Conference
June 28, 2022	Annual General Meeting 2022
August 12, 2022	Publication half-yearly financial report
September 19, 2022	Analysts' Conference
November 11, 2022	Publication quarterly statement (call-date Q3)
November 15, 2022	Munich Capital Markets Conference
November 28, 2022	German Equity Forum

Stock exchange data of EQS Group AG

Share	**EQS Group AG**
WKN	**549416**
ISIN	**DE0005494165**
Ticker Symbol	**EQS**
Type of Shares	**Registered 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	**8,659,476 Units**
Amount of Nominal Capital	**8,659,476 Euro**
Designated Sponsor	**Baader Bank AG, Unterschleißheim**

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

Register court:
Amtsgericht Munich

Register number:
HRB 131048

Tax Identification Number in accordance with
Section 27a Umsatzsteuergesetz
[German Sales Tax Law]:
DE208208257

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