



EQS GROUP

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

EQS GROUP AG
Munich

Consolidated comprehensive income statement

from January 01 – December 31, 2023

	Note	Continued Operations		Discontinued Operations		Group Total	
		2023 thousand €	2022 thousand €	2023 thousand €	2022 thousand €	2023 thousand €	2022 thousand €
Revenues	3	69,401	60,298	172	1,133	69,573	61,430
Other income	4.1.	315	834	29	2	344	836
Own cost capitalized	4.2	1,893	2,159	-	-	1,893	2,159
Cost of services	4.3	-8,447	-8,790	-78	-295	-8,524	-9,084
Personnel expenses	4.4	-41,589	-38,020	-290	-817	-41,879	-38,837
Other expenses	4.5	-17,650	-11,476	-235	-312	-17,885	-11,788
Valuation allowances on trade receivables	10.2.2	-644	-86	22	-64	-622	-150
Earnings before interest, tax, depreciation, amortization (EBITDA)		3,278	4,920	-379	-354	2,899	4,567
	6.1/6.2						
Depreciation		-8,442	-8,064	-16	-86	-8,459	-8,151
Operating result (EBIT)		-5,165	-3,144	-395	-440	-5,560	-3,584
Finance income	4.7	1,043	1,149	45	0	1,088	1,149
Finance expenses	4.7.	-3,479	-2,923	-5	13	-3,484	-2,910
Net financial result		-2,436	-1,774	40	14	-2,396	-1,761
Earnings before tax (EBT)		-7,600	-4,919	-355	-426	-7,955	-5,344
Income taxes		1,938	2,046	-35	-34	1,903	2,013
Group net income		-5,662	-2,872	-389	-460	-6,052	-3,332
- thereof attributable to the owners of the parent company		-5,662	-2,873	-389	-460	-6,052	-3,332
- thereof attributable to the non-controlling interests		0	1	-	-	0	1

Consolidated comprehensive income statement

from January 01 – December 31, 2023

	Continued Operations		Discontinued Operations		Group Total	
	2023 thousand €	2022 thousand €	2023 thousand €	2022 thousand €	2023 thousand €	2022 thousand €
Items that will be reclassified to the consolidated statement of comprehensive income in the future:						
Currency translations 4.7.	55	-47	-77	57	-22	10
Deferred tax on currency translations	-0	13	-	-	-0	13
Items that will not be reclassified to the consolidated statement of comprehensive income in the future:						
Remeasurements on defined benefit plans 4.7/6.8.2	6	290	-	0	6	290
Deferred tax on remeasurements	-37	-43	-	-0	-37	-43
Other comprehensive income	24	212	-77	57	-53	270
Comprehensive income	-5,639	-2,660	-466	-403	-6,105	-3,062
- thereof attributable to the owners of the parent company	-5,639	-2,661	-466	-403	-6,105	-3,063
- thereof attributable to the non-controlling interests	0	1	-	-	0	1
Earnings per share attributable to shareholders of the parent company (basic and diluted) 4.9	-0.56	-0.30	-0.04	-0.05	-0.60	-0.34

Consolidated balance sheet

as of 31 December 2023

Assets	Appendix	Dec. 31, 2023 thousand €	Dec. 31, 2022 thousand €
Non-current assets			
Intangible assets	6.1.	56,873	60,846
Goodwill	6.1.	97,649	97,235
Property, plant and equipment	6.2 6.3	3,556	5,011
Non-current financial assets	5.2	1,375	1,863
Other non-current assets	6.5	8	39
Deferred tax assets	6.4	7,777	5,447
		167,238	170,440
Current assets			
Trade accounts receivables	5.1	7,669	6,075
Contract Assets	3.3	123	276
Tax refund claims		155	106
Current financial assets	5.2	137	297
Other current assets	6.5	1,871	1,524
Cash and cash equivalents	5.3	7,504	10,655
		17,459	18,933
Total assets		184,698	189,373

Consolidated balance sheet

as of 31 December 2023

Equity and Liabilities	Appendix	Dec. 31, 2023 thousand €	Dec. 31, 2022 thousand €
Equity			
Issued capital	7.1	10,024	10,024
Treasury shares	7.1	-1	-10
Capital surplus	7.2	106,688	106,853
Retained earnings	7.3	-11,113	-4,909
Other reserves	7.4	200	252
Non-controlling interests	7.5	1	1
		105,797	112,210
Non-current liabilities			
Non-current employee benefits	6.8	562	425
Non-current provisions	6.7	227	160
Non-current financial liabilities	5.4 5.5	21,879	30,890
Deferred tax liabilities	6.4	18,253	18,621
		40,922	50,095
Current liabilities			
Current provisions	6.7	47	158
Trade accounts payable	5.4	7,243	2,709
Contract Liabilities	3.4	13,541	11,541
Current financial liabilities	5.4	10,384	8,198
Income tax liabilities		1,914	1,350
Current employee benefits	6.8	2,985	1,495
Other current liabilities	6.6	1,864	1,615
		37,978	27,067
Total equity and liabilities		184,698	189,373

Consolidated statement of changes in equity

from January 01 – December 31, 2023

	Appen- dix	Issued capital k€	Treasury shares k€	Capital surplus k€	Retained earnings k€	Other Reserves k€	Total k€	Non-con- trolling in- terests k€	Total equity thousand €
As of Jan. 1, 2022		8,659	-11	63,140	-1,532	-17	70,240	-	70,240
Comprehensive income 2022		-	-	-	-3,332	-	-3,332	1	-3,331
Other comprehensive income 4.8 4.10 2022		-	-	-	0	270	270	0	270
Total Result		-	-	-	-3,332	270	-3,062	1	-3,061
Adjustment retained earnings previous years	7.3	-	-	-	154	-	154	-	154
Capital increase	7.1 7.2	1,365	-	43,672	-204	-	44,833	-	44,833
Acquisition of non-controlling interests	7.5	-	-	-	-1	-	-1	-0	-1
Acquisition of treasury shares	7.1 7.2	-	-10	-252	-	-	-262	-	-262
Sale of treasury shares	7.1 7.2	-	1	18	-	-	18	-	18
Share-based payments	14	-	10	275	-	-	285	-	285
Disposal from consolidation group		-	-	-	4	-	4	-	4
As of Dec. 31, 2022		10,024	-10	106,853	-4,909	253	112,210	1	112,211

Consolidated statement of changes in equity

from January 01 – December 31, 2023

	Appen- dix	Issued capital k€	Treasury shares k€	Capital surplus k€	Retained earnings k€	Other Reserves k€	Total k€	Non-con- trolling in- terests k€	Total equity thousand €
As of Jan. 1, 2023		10,024	-10	106,853	-4,909	253	112,210	1	112,211
Comprehensive income 2023		-	-	-	-6,052	-	-6,052	-	-6,052
Other comprehensive income 4.8 4.10 2023		-	-	-	-0	-53	-53	-	-53
Total Result		-	-	-	-6,052	-53	-6,105	-	-6,105
Acquisition of non-controlling interests	7.5	-	-	-	-0	-	-0	0	-
Sale of treasury shares	7.1 7.2	-	-	0	-	-	0	-	0
Share-based payments	14	-	9	-165	-152	-	-309	-	-309
As of December 31, 2023		10,024	-1	106,688	-11,113	200	105,796	1	105,797

Consolidated cash flow statement

from 1.1. to 31.12.2023

	Appendix	2023 thousand €	2022 thousand €
Operating Cashflow			
Net Income		-6,052	-3,332
Income tax recognized in profit and or loss	4.8	-1,903	-2,013
Interest expenses (-income) recognized in profit or loss	4.7	2,578	2,357
Loss/profit from disposals of property, plant and equipment		24	2
Other non-cash expenses/income		388	-3,578
Depreciation and impairments	6.1 6.2	8,459	8,151
Increase/decrease of provisions	6.7	51	18
Increase/decrease of trade accounts receivables and other assets not attributable to investing or financing activities		-2,163	1,432
Increase/decrease in trade accounts payables and other liabilities not attributable to investing or financing activities		8,397	2,502
Paid taxes on income and earnings		-367	-113
Cashflow from operating activities		9,410	5,425
<i>-thereof discontinued operations</i>		-68	-212
Cashflow from investing activities			
Purchase of property, plant and equipment	6.2	-597	-339
Proceeds from disposals of property, plant and equipment	4.1 6.2	55	1
Purchase of intangible assets	6.1	-1,898	-2,475
Proceeds from disposals of intangible assets		8	-
Proceeds from disposals of non-current financial assets		129	-3
Payments from additions of non-current financial assets		-134	-11
Proceeds from disposals of consolidation group		-	4
Cashflow from investing activities		-2,436	-2,823
<i>-thereof discontinued operations</i>		26	-13

Consolidated cash flow statement

from 1.1. to 31.12.2023

	Appendix	2023 thousand €	2022 thousand €
Cashflow from financing activities			
Cash payments to owners and minority shareholders (dividends, redemption of shares, other distributions)		-	-
Proceeds from additions to equity (capital increases, sale of treasury shares)	7	-	44,833
Proceeds from borrowing of financial liabilities	8.2	555	30,502
Payments from repayment of financial liabilities	8.2	-6,232	-71,744
Payments from purchase of treasury shares of share-based payments	7.2	-	-262
Proceeds from sale of treasury shares of share-based payments	7.2	0	18
Proceeds from grants received	4.6	-	-
Payments from repayment of lease liabilities	8.2	-2,468	-2,052
Payments from issued loans	8.2	-11	-388
Proceeds from issued loans	8.2	135	93
Interest received	4.7	68	20
Interest paid	4.7	-2,279	-1,670
Cashflow from financing activities		-10,231	-651
<i>-thereof discontinued operations</i>		<i>-107</i>	<i>-293</i>
Change in cash and cash equivalents		-3,257	1,951
<i>-thereof discontinued operations</i>		<i>-150</i>	<i>-94</i>
Change in cash and cash equivalents from exchange rate movements		106	50
<i>-thereof discontinued operations</i>		<i>-63</i>	<i>35</i>
Cash and cash equivalents at the beginning of period		10,654	8,653
<i>-thereof discontinued operations</i>		<i>444</i>	<i>503</i>
Cash and cash equivalents at the end of period		7,504	10,654
<i>-thereof discontinued operations</i>		<i>231</i>	<i>444</i>

Notes to the consolidated financial statements

1 General information

EQS Group AG (hereinafter referred to as the parent company) was established by notarial agreement (deed no. 409/200 of the notary Dr. Oliver Vossius, Munich) dated February 3, 2000. It has its registered office at Karlstrasse 47, 80333 Munich, Germany, and is entered in the commercial register of the Munich Local Court under HRB 131048. The consolidated financial statements comprise the parent company and its subsidiaries (together referred to as the "Group" and individually as "Group companies" or "EQS Group"). The Group is an international cloud software provider in the areas of corporate compliance, investor relations and ESG. Further information can be found in the segment reporting (Note 2).

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the additional requirements of German commercial law pursuant to Section 315e (1) HGB. They comply with IFRS as published by the International Accounting Standards Board (IASB).

Unless otherwise stated, millions (€ million) are generally stated with two decimal places and thousands (€ thousand) without decimal places. Percentages are rounded to the nearest thousand without decimal places. Rounding differences may occur in percentages and figures in this report.

The discontinuation of business activities in Russia and Serbia and the liquidation of EQS Financial Markets & Media GmbH, Munich, led to the presentation as a discontinued operation (see statement of comprehensive income).

The financial year of EQS Group AG and its consolidated subsidiaries corresponds to the calendar year. The functional currency of the parent company and the presentation currency of the consolidated financial statements is the Euro.

Going concern assumption

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

On 31.1.2024, the company carried out a capital increase from authorized capital with gross issue proceeds of around € 40 million. The implementation of the capital increase was entered in the commercial register on February 7, 2024.

The gross proceeds from the capital increase were used, among other things, to repay all existing debt financing in full.

Based on these factors, management expects that the Group will have adequate resources to continue its business activities for the foreseeable future.

2 Segment reporting

Our Compliance and Investor Relations business segments are operating units that engage in business activities to generate revenue and whose operating results (EBITDA) are regularly reviewed by management and for which separate financial information is available. The internal reporting and organizational structure of EQS Group AG forms the basis for this. The presentation of our product range is divided into two segments, Compliance and Investor Relations, according to the markets in which the products are sold.

The Compliance segment comprises all products for fulfilling a regulatory obligation. This includes the cloud products Disclosure, Insider 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. We also provide additional cloud services in the area of filings (XML, ESEF) and LEI. As many customers do not necessarily use COCKPIT, these are reported separately.

The Investor Relations (IR) segment comprises the range of voluntary investor and corporate communications. The cloud platform COCKPIT bundles the cloud products Newswire, Investors, CRM and Mailing as well as the Roadshow Manager. Other cloud services such as websites, tools, reports, webcasts and media are offered outside the platform.

The accounting and valuation methods of the reportable segments correspond to the Group accounting and valuation methods described in Note 16. EBITDA is used to assess the profitability of the segment and to decide on the type of allocation of resources. EBITDA is calculated as total operating performance (revenue, other income and own work capitalized) less purchased services, personnel expenses, other expenses and expenses from the impairment of trade receivables.

The assessment of the segments' earnings power is therefore identical to the assessment of the Group's earnings power.

As the Management Board does not manage according to segment assets and segment liabilities, this information has been omitted.

There are no sales revenues from business transactions with a single external customer that amount to at least 5% of total sales revenues.

Impairment losses on intangible assets amounting to € 453 thousand were recognized in the Compliance segment in the financial year.

2023

<i>thousand €</i>	<i>Compliance</i>	<i>Investor Relations</i>	<i>Group</i>
Revenue			
Cloud-Products	36,384	10,880	47,264
Cloud-Service	13,563	8,746	22,309
Total Revenue	49,947	19,626	69,573
Other Income	325	19	344
Own cost capitalized	777	1,116	1,893
Operating Expenses	-51,580	-17,331	-68,911
EBITDA	-531	3,431	2,899

2022

<i>thousand €</i>	<i>Compliance</i>	<i>Investor Relations</i>	<i>Group</i>
Revenue			
Cloud-Products	30,340	10,101	40,441
Cloud-Service	11,975	9,015	20,990
Total Revenue	42,315	19,115	61,430
Other Income	775	61	836
Own cost capitalized	677	1,482	2,159
Operating Expenses	-39,349	-20,510	-59,859
EBITDA	4,418	148	4,566

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:

<i>thousand €</i>	Reportable segments			
	Compliance		Investor Relations	
	2023	2022	2023	2022
Primary geographical markets				
Domestic	35,369	31,437	13,077	12,409
International	14,577	10,878	6,549	6,707
Total	49,947	42,315	19,626	19,115
Important product and service lines				
Cloud-Products	36,384	30,340	10,880	10,101
Cloud-Service	13,563	11,975	8,746	9,015
Total	49,947	42,315	19,626	19,115
Timing of revenue recognition				
Services rendered at a point in time	19,498	17,417	6,600	6,519
Services provided over a period of time	30,448	24,898	13,026	12,596
Total	49,947	42,315	19,626	19,115

The allocation of revenues into domestic/foreign is based on the allocation of revenues of the companies and not on the location of the customers.

3.2 Accounting policies and significant judgements

Revenues are measured on the basis of the consideration specified in a contract with a customer. The fees to be paid by the customer for the provision of the services are set out in the contract and the price list valid at the time the order is placed. Payments for onboarding, packages and the basic fee for twelve months are due and invoiced in advance upon conclusion of the contract. Any additional services will be invoiced when used (e.g. pay per use/click, number of characters, project services) and invoiced monthly. In accordance with the GTC, payments are predominantly due within 30 days of the invoice date.

The Group recognizes revenue when it transfers control of a good or service to a customer. The transaction price is determined on the basis of the contractually agreed prices and the associated performance obligation.

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

Cloud products

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

Performance obligations from SaaS solutions are fulfilled 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 provided.

Revenue from separately identifiable performance obligations for the installation and set-up of the COCKPIT is recognized when the performance obligation is met at the time of completion.

For support services requested by customers, the right to consideration arises in an amount that corresponds directly to the value of the services already provided to the customer. When measuring the progress of a performance obligation, use is therefore made of the practical exception to recognize revenue in the amount that is invoiced.

Revenue for the publication of reports is generally recognized at the time the individual service is provided.

Cloud service

Outside the platform, other IR and compliance services such as websites, tools and reports are provided where an asset without alternative use is created according to customer specifications and where there is a claim to payment for products already transferred and services already provided. Revenue from this performance obligation is recognized over time. The percentage of completion (PoC) method is used to measure the stage of completion of the performance obligation.

Revenue from the transfer of LEIs (Legal Entity Identifiers) is recognized at the time the LEI is transferred to the customer.

Revenue from events and webcasts is recognized at the time of full implementation and completion of the service.

Revenue from filings is recognized at the time of complete performance and submission.

Estimation uncertainties and judgements

The exercise of judgement in determining whether revenue should be recognized at a specific point in time or over a specific period and estimates in measuring the stage of completion can have a significant impact on the timing and amount of revenue to be recognized.

3.3 Contract assets

<i>thousand €</i>	Dec 31, 2023	Dec 31, 2022
Costs incurred up to the balance sheet date plus recognized gains less recognized losses	209	455
Partial revenue already billed	-77	-132
Advance payments received	-9	-47
Total	123	276

The contract assets mainly relate to the Group's claims to consideration for services from contract manufacturing of IR development services that had neither been completed nor invoiced as at the reporting date.

Contract assets are reclassified to receivables when the claims become unconditional. This usually occurs after the service has been provided in full, when the Group issues a final invoice of the customer.

We expect to realize the proceeds within six months.

3.4 Contract liabilities

<i>thousand €</i>	Dec 31, 2023	Dec 31, 2022
Contract Liabilities	13,541	11,541

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

The amount of € 11.54 million (previous year: € 9.98 million) reported under contract liabilities at the beginning of the period was recognized as revenue in the 2023 financial year. The revenue recognized in the 2023 financial year from performance obligations fulfilled (or partially fulfilled) in previous periods amounted to € 9.94 million (previous year: € 290 thousand).

No information is provided on the remaining performance obligations that have an expected original term of one year or less.

4 Significant positions of the consolidated comprehensive income statement

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

<i>thousand €</i>	2023	2022
Non-cash remuneration	114	14
Conferences	35	25
Reimbursements from overpayments	3	11
Rental income from operating leases	23	13
Reversal of contingent purchase price liabilities	-	641
Other	169	133
Total	344	836

4.2 Own costs capitalized

<i>thousand €</i>	2023	2022
Own developed software	1,893	2,159

In the reporting year, major projects for existing and new applications for the new Compliance COCKPIT were capitalized in the area of Compliance amounting to € 1.01 million (previous year: € 677 thousand) and for the IR COCKPIT amounting to € 884 thousand (previous year: € 1.48 million). The high level of capitalization in the area of investor relations is due to significant improvements to existing modules of IR COCKPIT (analog previous year).

4.3 Cost of services

<i>thousand €</i>	2023	2022
Cost of services	8,524	9,084

The cost of services contain external services for services rendered at point in time.

4.4 Personnel expenses

<i>thousand €</i>	2023	2022
Wages/salaries	34,394	32,756
Equity-settled share-based payments	908	285
Statutory social expenses	5,437	4,683
Voluntary social expenses	567	385
Defined contribution plans	398	450
Defined benefit plans	175	278
Total	41,879	38,837

4.5 Other expenses

<i>thousand €</i>	2023	2022
Facility expenses	727	632
Insurances/contributions/fees	442	417
IT-infrastructure costs	5,114	4,549
Advertising and travel expenses	3,057	2,785
Telecommunication/office expenses	879	688
Consulting fees	6,181	1,744
External service expenses	360	240
Supervisory Board expenses	295	291
Non-periodic expenses	281	184
Others	550	259
Total	17,885	11,788

The consulting costs are made up of legal and consulting costs, accounting costs and the costs of preparing and auditing the financial statements and auditing costs and mainly include costs for the takeover bid from the financial investor Thoma Bravo in the amount of € 4.71 million (previous year: € 0.00 million).

IT infrastructure costs include IT services from external partners as well as provider and service costs in the amount of € 3.14 million (previous year: € 2.94 million) and license fees of € 1.98 million (previous year: € 1.40 million).

4.6 Government grants

The Group did not receive any government grants in the reporting year or the previous year.

4.7 Net financial result

<i>thousand €</i>	2023	2022
Financial income		
Interest income from financial assets measured at amortized cost	68	27
Net gain from foreign currency translation	686	855
Other financial income	335	267
Financial income	1,088	1,149
Financial expenses		
Interest paid/payable and finance costs for financial liabilities not measured at fair value through profit or loss	2,577	2,319
Interest expense on leasing liabilities	69	65
Net loss from foreign currency translation	307	334
Other financial expenses	532	191
Financial expenses	3,484	2,910
Net Financial result income (-)/ expense (+)	2,396	1,761

The main financing expenses of € 2.50 million (previous year: € 2.30 million) result from interest payments for financial liabilities from long-term bank loans. The most significant foreign currency translation items result from changes in the exchange rate of the US dollar to the euro amounting to € 137 thousand (previous year: € 163 thousand), the British pound to the euro amounting to € -21 thousand (previous year: € -87 thousand) and the Swiss franc to the euro amounting to € 492 thousand (previous year: € 459 thousand).

4.8 Income taxes

<i>thousand €</i>	2023	2022
Current taxes		
taxes current period	852	1,266
taxes prior periods	-12	211
Total current taxes	840	1,477
Deferred taxes		
Change in deferred taxes current period	-2,770	-3,511
Total deferred taxes	-2,770	-3,511
Withholding tax		
Withholding tax	27	21
Total withholding tax	27	21
Income taxes Income (-) expense (+)	-1,903	-2,013

The consolidated tax ratio is calculated according to the taxable income pursuant to tax regulations. The expected income tax rate includes the statutory German corporation tax including solidarity surcharge and trade tax, totalling to 32.95% (previous year: 32.95%). It may therefore differ from the actual consolidated tax ratio at the end of the year. Tax rates of included companies range from approx. 16% to 37%. There were no changes in tax rates compared to the previous year.

Despite current loss periods, deferred tax assets are recognized on loss carryforwards for companies within the Group. This is based on tax planning with positive earnings prospects, so that it can be assumed that the deferred tax assets are recoverable.

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.

<i>thousand €</i>	2023	2022
Profit before tax	-7,955	-5,344
Income tax income calculated at 32,95% (Previous year: 32,95%)	-2,621	-1,761
Effect of deviating foreign tax rates	-461	-189
Effects of expenses not deductible for tax purposes	1,004	-308
Effects of tax losses	12	489
Effects of other temporary differences on which no deferred taxes were recognized	129	-493
Tax expenses/income for previous years	-12	211
Others	46	38
Income tax income (-) expense (+)	-1,903	-2,013
Effective tax rate	23.93%	37.66%

Income taxes recognized in other comprehensive income:

<i>thousand €</i>	2023	2022
Deferred taxes		
Remeasurements on defined benefit plans	37	43

4.9 Earnings per share

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

<i>thousand €</i>	2023	2022
Share of net income attributable to shareholders of the parent company	-6,052	-3,332
	in Thousand	in Thousand
Weighted average number of shares outstanding	10,023	9,737
Earnings per share	-0.60	-0.34

The average number of shares issued is calculated from the shares bought and sold in the financial year. Earnings per share from continuing operations amounted to €-0.56 (previous year: €-0.29).

4.10 Other comprehensive income

The change in other comprehensive income is shown in the statement of comprehensive income. The development and composition of the Other comprehensive income can be found in the statement of changes in equity.

5 Financial assets and financial liabilities

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

- 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 judgments and estimation uncertainties.

The Group holds the following financial assets and liabilities:

Financial assets:

<i>thousand €</i>	Dec. 31, 2023	Dec. 31, 2022
Measured at amortized cost:		
Trade accounts receivables	7,669	6,075
Loans and receivables / security deposits	1,194	1,443
Cash and cash equivalents	7,504	10,655
Designated at fair value through profit or loss		
Interest rate derivative	318	717
Total	16,685	18,890
Short term	15,311	17,027
Long term	1,375	1,863

Financial liabilities:

<i>thousand €</i>	Dec. 31, 2023	Dec. 31, 2022
Measured at amortized cost		
Loans from banks	29,597	34,054
Lease liabilities	2,349	3,848
Trade accounts payable	7,243	2,709
Overdrafts / Credit card settlements	50	72
Other loans	267	148
Contingent purchase price liability	-	968
Total	39,506	41,798
Short term	17,628	10,908
Long term	21,879	30,890

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 accounts receivables

<i>thousand €</i>	Dec. 31, 2023	Dec. 31, 2022
Trade accounts receivables	8,602	6,713
Valuation allowances on receivables	-933	-638
Total	7,669	6,075

5.1.1 Classification as trade accounts receivables

Trade accounts receivables are amounts owed by customers for goods sold or services rendered in the ordinary course of business. They are generally payable within 30 days and are therefore classified as short term. Longer payment terms will only be granted in exceptional cases. Trade accounts receivables are initially recognized at the amount of the unconditional consideration. The Group holds trade accounts receivables to collect the contractual cash flows and subsequently measures them at amortized cost using the effective interest method. Details of the Group's impairment methods and the calculation valuation allowances on receivables are included in note 10.2.2.

5.1.2 Fair value of trade accounts receivables

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

5.1.3 Impairments and risks

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

5.2 Other financial assets measured at amortized cost

5.2.1 Classification of financial assets measured at amortized cost

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms result in cash flows that represent solely payments of repayment and interest on the outstanding principal amount.

Other financial assets measured at amortized cost are comprised as follows:

<i>thousand €</i>	Dec. 31, 2023	Dec. 31, 2022
Loans to foreign managing directors and employees in management positions and employee receivables	783	974
Deposits	385	436
Others	26	33
Total	1,194	1,443
Short term	137	297
Long term	1,057	1,146

Nominal loans of € 1.07 million (previous year: € 1.20 million) were issued to foreign managing directors and employees in management positions. These were used to finance the purchase of shares in the parent company. The interest rates range from 2.0% to 7.9% (previous year: 2.0% to 2.8%). The loans have a maximum term until 2027 and are secured by the acquired shares. All loans were repaid in February 2024.

5.2.2 Fair value of other financial assets measured at amortized cost

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

5.2.3 Impairment and risks

Note 10.2.2 includes information on the impairment of financial assets and the Group's default risk volume.

All other financial assets measured at amortized cost are denominated in euros. As a result, there is no foreign currency risk. There is also no interest rate risk, as the financial investments are held to maturity.

5.3 Cash and cash equivalents

<i>thousand €</i>	Dec 31, 2023	Dec 31, 2022
Cash at banks	7,504	10,655

5.4 Trade accounts payables and other financial liabilities

<i>thousand €</i>	Dec. 31, 2023	Dec. 31, 2022
Unsecured - at amortized cost		
Loans from banks	2,940	4,408
Trade accounts payable	7,243	2,709
Bank overdrafts / credit card settlements	50	72
Other loans	267	148
Total	10,500	7,338
Secured - at amortized cost		
Loans from banks	26,657	29,645
Lease liabilities	2,349	3,848
Other loans	-	-
Total	29,006	33,493
Total	39,506	40,830
Short term	17,628	9,940
Long term	21,879	30,890

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

The credit card statements relate to amounts not yet debited as of the balance sheet date.

5.5 Loans

EQS Group AG concluded a syndicated loan for € 30.00 million on October 28, 2022. The loan has a term of five years and is repaid quarterly. The first repayment installment was due on 31.7.2023.

The interest rate for the loan for each interest period is the percentage rate per year resulting from the sum of the interest margin and the EURIBOR. The interest margin depends on the financial covenant net debt/EBITDA and slightly on ESG criteria (diversity and CO² emission) and can range from 2.50% to 4.30%. The loan is fully hedged via an interest rate cap agreement with a minimum EURIBOR of 0.00% and a maximum of 3.00%.

In addition, EQS Group AG took out a bank loan of € 7.00 million on January 4, 2021 to finance the acquisition of Got Ethics A/S, Copenhagen, Denmark. The loan has a term until December 31, 2025 and is to be repaid in quarterly installments. The interest rate for the loan is the sum of the EURIBOR plus a margin of 2.80% p.a. The loan is fully hedged using an interest rate cap derivative with a maximum EURIBOR of 0.00%.

For further information on derivatives, please refer to Note 10.1.2 Cash flow and market interest rate risk.

Compliance with loan covenants

In connection with the loan financing of € 30.00 million and € 7.00 million, the Group must comply with defined targets in relation to EBITDA, the net debt/EBITDA ratio and the equity ratio. If these financial covenants are not met, the bank has the right to terminate the agreement.

The shares in EQS GROUP AG, Zurich, Switzerland, Business Keeper GmbH, Berlin (merger with EQS Group AG on April 1, 2023) and EQS Group A/S, Copenhagen, Denmark, were pledged as collateral for the loan financing of €30.00 million.

Lease liabilities are effectively secured, as the rights to the leased assets recognized in the financial statements revert to the lessor in the event of default.

The fair values of the borrowings do not differ significantly from the carrying amounts, as the interest payments on these borrowings are almost in line with current market rates or the borrowings are short-term. All loans were repaid in full in February 2024.

6 Non-financial assets and liabilities

6.1 Intangible assets and goodwill

<i>thousand €</i>	<i>Own developed Software</i>	<i>Other purchased software and licenses</i>	<i>Customer base</i>	<i>Goodwill</i>	<i>Total</i>
Acquisition or production costs					
As of Jan. 1, 2022	12,745	22,395	41,358	99,919	176,416
Addition	2,159	316	-	-	2,475
Disposal	-	-	-	-	-
Exchange rate differences	-	29	340	586	955
As of Dec. 31, 2022	14,904	22,740	41,699	100,505	179,847
As of Jan. 1, 2023	14,904	22,740	41,699	100,505	179,847
Addition	1,893	5	-	-	1,898
Disposal	-	-160	-	-	-160
Exchange rate differences	-	31	209	383	623
As of Dec. 31, 2023	16,797	22,615	41,908	100,888	182,208

<i>thousand €</i>	<i>Own developed software</i>	<i>Other purchased software and licenses</i>	<i>Customer base</i>	<i>Goodwill</i>	<i>Total</i>
Depreciation and impairment					
As of Jan. 1, 2022	3,228	4,237	5,356	3,208	16,029
Depreciation	916	2,334	2,257	14	5,521
Disposal	-	-	-	-	-
Exchange rate differences	-	26	141	48	215
As of Dec. 31, 2022	4,144	6,598	7,753	3,270	21,765
As of Jan. 1, 2023	4,144	6,598	7,753	3,270	21,765
Depreciation	1,474	2,251	2,262	-	5,986
Disposal	-	-151	-	-	-151
Exchange rate differences	-	32	83	-30	85
As of Dec. 31, 2023	5,618	8,729	10,098	3,240	27,685

<i>thousand €</i>	<i>Own developed software</i>	<i>Other purchased software and licenses</i>	<i>Customer base</i>	<i>Goodwill</i>	<i>Total</i>
Book value					
As of Dec. 31, 2023	11,179	13,886	31,810	97,648	154,523
As of Dec. 31, 2022	10,760	16,142	33,945	97,235	158,082
As of Jan. 1, 2022	9,516	18,156	36,003	96,711	160,387

All amortization and impairment losses on intangible assets and goodwill are presented in the statement of comprehensive income under "Depreciation". In the 2023 financial year, impairment losses of € 453 thousand were recognized on internally developed software in the Compliance segment, as the development of the underlying product will not be continued.

Allocation of goodwill to the cash generating units

Goodwill has been allocated to cash-generating units for the purpose of impairment testing. With regard to goodwill, the cash-generating unit (CGU) is the respective segment and not the individual company itself. A distinction is made here between the segments "Compliance" and "Investor Relations".

<i>Chronological order according to Date of acquisition</i>	<i>Date of acquisition</i>	<i>Segment</i>	<i>Book value Dec. 31, 2022 thousand €</i>	<i>Book value Dec. 31, 2021 thousand €</i>
CGU EQS Group AG Compliance*	2005/2021	Compliance	74,615	9,849
CGU EQS Group AG Investor Relations	2011	Investor Relations	460	460
CGU EQS Asia Ltd.	2014	Investor Relations	2,805	2,911
CGU EQS Group Ltd.	2015	Investor Relations	474	464
CGU EQS GROUP AG (Switzerland) Investor Relations	2016	Investor Relations	2,492	2,343
CGU EQS GROUP AG (Switzerland) Compliance	2018	Compliance	6,434	6,051
CGU EQS Group A/S	2021	Compliance	10,369	10,391
CGU Business Keeper GmbH*	2021	Compliance	n/a	64,766
Total			97,649	97,235

* The CGU Business Keeper GmbH has been transferred to the CGU EQS Group AG Compliance as a result of the merger of Business Keeper GmbH with EQS Group AG with effect from April 1, 2023.

In order to determine the recoverable income (value in use), a two level discounted cash flow model was used, which is based on a detailed planning of total income and total expenses for five years and on a perpetual annuity taking into account a long-term growth rate of 1%. The carrying amounts of the CGUs EQS Asia Ltd. (Hong Kong), EQS Group Ltd. (UK), EQS GROUP AG (Switzerland) and EQS Group A/S (Denmark) are denominated in foreign currency and are therefore subject to currency effects.

Each planning is subject to uncertainties with regard to the realization of expected parameters, especially in the case of new business areas.

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

- For the CGU EQS Group AG Compliance, we expect positive effects on revenue growth from financial market regulations and the expansion of business relationships with customers in the area of whistleblower systems. In addition, the allocated goodwill will increase as a result of the merger of Business Keeper GmbH into EQS Group AG, which was allocated to the Compliance segment.
- For the CGU EQS Group AG Investor Relations, we expect disproportionately low growth in sales in the coming years through cross-selling with the products Investors, CRM and Mailing, while at the same time increasing profitability through lower investments.
- For the CGU EQS Asia Ltd., we are planning low, constant sales growth in the coming years through cross-selling with the Investors, CRM and Mailing products, while at the same time increasing profitability through efficiency improvements.
- For the CGU EQS Group Ltd., we see significant cross-selling potential with existing customers in the coming years with low investments and thus a significant increase in the EBITDA margin.
- For the CGU EQS GROUP AG (Switzerland) Investor Relations, we expect disproportionately low growth with low investments and a sustained high EBITDA margin in the coming years.
- For the CGU EQS GROUP AG (Switzerland) Compliance, we expect sales growth to continue through new customers and cross-selling to existing customers due to our good market positioning.

- For the CGU EQS GROUP A/S, we expect a continuation of sales growth with significantly improved profitability due to our good market positioning.

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

The long-term growth rate in perpetuity was assumed to be 1.00% (previous year: 1.00%) for all CGUs of EQS Group. The discount rate applied to the cash flow forecasts (after-tax WACC) was assumed to be between 6.11% and 9.86% (previous year: 7.73% and 8.10%) for the CGUs. The change compared to the previous year is due to the increase in the risk-free interest rate as at the reporting date and the inclusion of inflation and country risks.

The recoverable amount of the CGUs was subjected to a sensitivity analysis. The free cash flows were adjusted by up to 20% and the pre-tax WACC by up to 1%. There is no need for impairment with regard to the sensitivity analyses.

Significant intangible assets

Own developed software in progress, which is not yet subject to scheduled amortization, must also be tested annually in accordance with IAS 36. Impairment losses of € 453 thousand were recognized on internally generated software in the 2023 financial year, as the development of the underlying product will not be continued. Please refer to Notes 4.2 and 16.11 for more information.

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

	Book value Dec. 31, 2023 thousand €	Book value Dec. 31, 2022 thousand €	remaining amortization period as of Dec. 31, 2023
Own developed software	6,307	4,816	until 2029
Own developed software in progress	4,872	5,943	
Total	11,179	10,760	

Own developed software mainly consist of the product EQS COCKPIT and its modules as well as the Compliance COCKPIT. In the 2023 financial year, € 6.85 million (previous year: € 5.54 million) was recognized in the income statement for research and development.

The main items of purchased intangible assets developed as follows:

	Book value Dec. 31, 2023 thousand €	Book value Dec. 31, 2022 thousand €	remaining amortization period as of Dec. 31, 2023
Software Business Keeper GmbH from PPA	3,186	3,611	31/12/2030
Order backlog Business Keeper GmbH from PPA	6,785	7,689	31/12/2030
Brand Business Keeper GmbH from PPA	2,977	3,374	31/12/2030
Total	12,948	14,674	

The customer bases developed as follows:

	Book value Dec. 31, 2023 thousand €	Book value Dec. 31, 2022 thousand €	remaining amortization period as of Dec. 31, 2023
TodayIR Ltd.	850	1,048	30/04/2029
Tensid AG	1,011	1,087	31/12/2030
Obsidian IR Ltd.	221	248	30/11/2030
news aktuell GmbH	806	992	31/03/2028
Integrity Line GmbH	1,613	1,686	31/12/2033
Business Keeper GmbH	23,727	25,083	30/06/2041
Got Ethics A/S	3,208	3,404	31/12/2040
C2S2 GmbH	245	259	31/12/2040
APA-OTS Originaltext-Service GmbH	128	138	30/09/2036
Total	31,809	33,944	

6.1.1 Depreciation methods and useful life

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

Asset classes	Useful life
Purchased software	3 - 5 years
Own developed software	5 - 10 years
Industrial property rights	1 - 10 years
Licenses	3 years
Customer base	15 - 20 years

See Note 16.11 for other accounting policies relevant to intangible assets and Note 16.7 for the Company's policies with regard to the recognition of impairment losses.

6.2 Property, plant & equipment

<i>thousand €</i>	<i>Property, plant and Buildings equipment (IFRS 16)</i>		<i>Total</i>
Acquisition or production costs			
As of Jan. 1, 2022	6,306	10,681	16,987
Addition	339	312	651
Disposal	-56	-394	-451
Exchange rate differences	28	20	48
As of Dec. 31 2022	6,617	10,618	17,235
As of Jan. 1, 2023	6,617	10,618	17,235
Addition	621	925	1,547
Disposal	-571	-1,187	-1,758
Transfer	-6	6	-0
Exchange rate differences	2	-95	-93
As of Dec. 31 2023	6,663	10,267	16,930

<i>thousand €</i>	<i>Property, plant and Buildings equipment (IFRS 16)</i>		<i>Total</i>
Depreciation and impairment			
As of Jan. 1, 2022	4,497	5,139	9,636
Depreciation/impairment	611	2,019	2,630
Disposal	-54	-	-54
Exchange rate differences	21	-10	11
As of Dec. 31 2022	5,075	7,148	12,224
As of Jan. 1, 2023	5,075	7,148	12,224
Depreciation/impairment	645	1,828	2,472
Disposal	-489	-748	-1,237
Exchange rate differences	-3	-82	-85
As of Dec. 31 2022	5,227	8,146	13,375

<i>thousand €</i>	<i>Property, plant and Buildings equipment (IFRS 16)</i>		<i>Total</i>
Book value			
As of Dec. 31 2023	1,436	2,121	3,556
As of Dec. 31 2022	1,542	3,470	5,011
As of Jan. 1, 2022	1,809	5,542	7,351

As of the balance sheet date, there were contractual obligations in the form of orders for the purchase of property, plant and equipment in the amount of € 3 thousand (previous year: € 6 thousand).

6.2.1 Depreciation methods and useful life

All items of property, plant and equipment are stated at historical cost less depreciation and any impairment losses.

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

Asset classes	Useful life
Right of use Buildings (IFRS 16)	1 - 10 years
Property, plant and equipment	1 - 23 years

See (Note 16.10 for other accounting policies relevant to property, plant and equipment.

6.3 Leases – lessee

This note provides information on leases with the Group as lessee.

The Group rents business premises, office equipment and a vehicle. Rental agreements for buildings are generally concluded on a long-term basis (up to 10 years), but may include renewal options, as described in section 6.3.3.

The accounting policies for leases are explained in note 16.6.

6.3.1 Amounts recognized in the balance sheet

The following items for leases with the Group as lessee are reported in the balance sheet:

€ thousand	Dec. 31, 2023	Dec. 31, 2022
Right of use asset		
Buildings	2,121	3,469
Cars	7	20
Property, plant and equipment	17	34
Total	2,144	3,523
Additions and disposals to right of use		
Additions	949	312
Disposals	-1,190	-394
Total	-240	-83
Leasing liability		
Short term	1,561	1,996
Long term	788	1,852
Total	2,349	3,848

For information on the maturity structure, please refer to note 10.3.2.

6.3.2 Amounts recognized in the comprehensive income statement

The statement of comprehensive income includes the following amounts for leases with the Group as lessee:

€ thousand	2023	2022
Amortization of right of use		
Buildings	1,828	2,019
Cars	4	10
Property, plant and equipment	41	24
Total	1,873	2,053
Interest expenses		
Interest expenses on leasing liabilities	69	65
Practical remedy		
Expenses for short-term leases	100	105
Expenses for low value leases	-5	3
Total	95	108
Amounts recognized in the statement of comprehensive income	2,037	2,227

Payments for leasing amounted to € 2.47 m in the reporting year (previous year: € 2.19 m).

6.3.3 Extension options

As at December 31, 2023 there were future cash outflows not recognized as lease liabilities in the amount of € 10.41 m (Dec 31, 2022: € 10.73 m). It is not sufficiently certain that the associated leases will be extended (or not terminated).

6.3.4 Subleases

The Group concludes subleases for rented properties. The subleases are classified exclusively as operating leases.

Rental income from subleases for properties amounted to € 23 thousand in the 2023 financial year (Dec 31, 2022: T€ 13 thousand) and consists of fixed payments and payments linked to an index or (interest) rate.

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

€ thousand	2023	2022
up to 1 year	8	-

The accounting policies for leases are explained in note 16.6.

6.4 Deferred taxes

Dec.31, 2022

thousand €	Balance net as of January 1	Recognized in Profit or loss	Currency Effect	Recognized in Other income	Directly in Equity considered	As of Dec. 31, 2022		
						Net	Deffered Tax Assets	Deffered Tax Liabilities
Intangible assets	-18,097	752	-14			-17,359	-554	-16,804
Property, plant and equipment	-1,261	285	-24			-1,001	21	-1,021
Financial assets		-92				-92	553	-645
Other assets						-	-	-
Trade Receivables	8	32				39	52	-13
Cash and Cash equivalents	1	-1				-	-	-
Employee benefits	97	-66		-42		-10	1	-11
Provisions	20	29				49	49	-
Liabilities from trade payables	1					1	1	-
Contractual binding-liabilities	1	41				42	42	-
Financial Liabilities	924	107		2		1,032	1,159	-126
Loss carried forward	1,700	2,423				4,123	4,123	-
Tax assets (-liabilities) before offsetting							5,447	-18,620
Offsetting of tax	-	-	-	-	-	-	-	-
Tax assets (-liabilities) after offsetting								-13,173

Dec. 31, 2023

thousand €	Balance net as of January 1	Recognized in Profit or loss	Currency Effect	Recognized in Other income	Directly in Equity considered	As of Dec. 31, 2023		
						Net	Deffered Tax Assets	Deffered Tax Liabilities
Intangible assets	-17,359	-123	-32			-17,515	-	-17,515
Property, plant and equipment	-1,001	363	4			-634	-	-634
Financial assets	-92	96				4	27	-22
Trade accounts receivables	39	-52	-2			-16	-13	-3
Cash and cash equivalents		28				28	28	-
Employee benefits	-10	26	-3	32		46	80	-34
Provisions	49	-31				18	18	-
Trade accounts payables	1	-1					-	-
Contractual liabilities	42	-38				4	4	-
Financial liabilities	1,032	-232		-68		732	777	-44
Loss carried forward	4,123	2,733				6,856	6,856	-
Tax assets (-liabilities) before offsetting							7,777	-18,253
Offsetting of tax	-	-	-	-	-	-	-	-
Tax assets (-liabilities) after offsetting								-10,476

Only some deferred taxes on loss carryforwards were capitalized abroad in the reporting year. Among other things, this is due to the limited usability of loss carryforwards within the planning period or to tax losses that cannot generally be used in accordance with individual foreign tax law. Although some of the losses cannot be used indefinitely, no tax loss carryforwards have expired to date.

The amount of the not recognised/unrecognized vested losses carried forward/loss carryforwards as at the reporting date is was € 2.37 million (previous year: € 3.38 million).

No deferred tax liabilities were recorded/recognized on "outside basis differences". The related amount of temporary differences amounted to € 400 thousand (previous year: € 217 thousand).

6.5 Other assets

Assets - thousand €	Dec. 31, 2023	Dec. 31, 2022
Advanced payments	1,548	1,160
VAT Receivables	282	276
Receivables from health insurance/insurances	1	0
Other Assets	49	127
Total	1,879	1,563
Short term	1,871	1,524
Long term	8	39

The advance payments relate to services that will not be rendered until after the balance sheet date.

6.6 Other liabilities

thousand €	Dec. 31, 2023	Dec. 31, 2022
VAT liabilities	1,101	952
Wage- and church tax	669	601
Employer's liability insurance Association	71	61
Other	23	1
Total	1,864	1,615
Short term	1,864	1,615
Long term	-	-

6.7 Provisions

<i>thousand €</i>	<i>Archiving business documents</i>	<i>Dismantling obligation</i>	<i>Onerous contracts</i>	<i>Total</i>
As of Jan. 1, 2022	14	145	33	192
Consumption	-	-	-	-
Release	-	-	-33	-33
Addition	17	1	141	159
Currency translation	-	-	-	-
As of Dec. 31, 2022	30	146	142	318
Short term	17	-	142	159
Long term	14	146	-	160

<i>thousand €</i>	<i>Archiving business documents</i>	<i>Dismantling obligation</i>	<i>Onerous contracts</i>	<i>Total</i>
As of Jan. 1, 2023	30	146	142	318
Consumption	-	-	-	-
Release	-	-	-141	-141
Addition	-	51	47	98
Currency translation	-	-	-1	-1
As of Dec. 31, 2023	30	197	47	274
Short term	-	-	47	47
Long term	30	197	-	227

Archiving business documents

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

Dismantling obligation

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

Onerous contracts

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

6.8 Employee benefits

6.8.1 Current employee benefits due

<i>thousand €</i>	Dec. 31, 2023	Dec. 31, 2022
Defined benefit plans	438	361
Liabilities from wages and salaries	14	5
Bonus payments/ Special payment due to modification of the sharebased payment plans	2,430	989
Vacation / Overtime	232	242
Liabilities - social security	72	50
Liabilities from pension plans	191	183
Service cost on contingent purchase price liabilities	151	78
Other	20	11
Total	3,548	1,920
Short term	2,985	1,495
Long term	562	425

In the 2023 financial year, extraordinary expenses of € 562 thousand (previous year: € 0 thousand) were recognized for the settlement of the employee participation programs due to the takeover bid by the financial investor Thoma Bravo.

6.8.2 Benefits after termination of the employment relationship

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

Change in net liability from defined benefit pension plans	Defined benefit obligation		Fair value of Plan Assets		Net defined benefit liability from defined benefit pension plans	
	2023	2022	2023	2022	2023	2022
	thousand €	thousand €	thousand €	thousand €	thousand €	thousand €
As of Jan. 1,	776	1,018	-415	-513	360	505
Recognized in profit or loss	165	224	-9	-4	156	219
Current service cost	144	213	-	-	144	213
Past service cost	-1	-3	-	-	-1	-3
Interest expense (interest income)	22	14	-9	-4	13	9
Recognized in other comprehensive income	10	-325	-11	39	-1	-286
- Actuarial Loss (Gain) from:						
- demographic assumptions	-	-4	-	-	-	-4
- financial assumptions	23	-230	-	-	23	-230
- experience adjustment	-30	-113	-	-	-30	-113
Return on plan assets excluding interest income	-	-	5	54	5	54
Net translation differences	17	22	-16	-15	1	7
Other	-191	-141	113	63	-78	-78
Contributions paid by employer	-	-	-47	-68	-47	-68
Contributions paid by employee	46	65	-46	-65	-	-
Benefit Payments	-237	-206	206	197	-31	-10
As of Dec. 31,	759	776	-322	-415	437	360

For country-specific details of defined benefit plans, see Note 16.16.2.

Dec. 31, 2023	Switzerland	France	India	Italy	Asia, Hong-kong	Total
	thousand €	thousand €	thousand €	thousand €	thousand €	thousand €
Present value of obligations	482	37	196	42	17	773
Fair value of plan assets	-335	-	-	-	-	-335
Total liabilities	147	37	196	42	17	438

Dec. 31, 2022	Switzerland	France	India	Italy	Asia, Hong-kong	Total
	thousand €	thousand €	thousand €	thousand €	thousand €	thousand €
Present value of obligations	584	50	127	24	-	785
Fair value of plan assets	-421	-	-	-	-	-421
Total liabilities	163	50	127	24		363

The Group expects contributions of € 37 thousand to be paid into the defined benefit plans in 2024 (previous year: expectation for 2023 of € 56 thousand).

Plan assets

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

<i>Plan assets</i>	2023	2022*
Shares	32.0%	27.9%
Bonds	28.7%	30.1%
Real estate	17.8%	17.7%
Mortgages	7.0%	7.2%
Alternative investments	13.4%	13.4%
Other	0.2%	0.9%
Cash and cash equivalents	0.8%	2.8%

*Values are at Sept 30, 2022

The fund's investment strategy is based on investment objectives that are regularly determined by an asset-liability study (ALM) and aims to achieve a stable return through a balanced proportion of equities, real assets and investments in alternative investments and to cushion short-term market fluctuations through diversification.

The remaining pension plans are unfunded.

Defined benefit obligation

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

<i>Dec. 31, 2023</i>	<i>Switzerland</i>	<i>Fance</i>	<i>India</i>	<i>Italy</i>
Discount rate	1.8%	3.0%	0.0719	3.2%
Inflation rate	1.5%	0.0%	0	2.0%
Future wage and salary increases	3.5%	2.0%	0.085	1.0%
Future pension increase	0.0%	0.0%	0	0.0%
Fluctuation rate	0.0%	0.0%	0.16	5.0%

<i>Dec. 31, 2022</i>	<i>Switzerland</i>	<i>Fance</i>	<i>India</i>	<i>Italy</i>
Discount rate	2.1%	0.6%	0.072	3.7%
Inflation rate	0.0%	0.0%	0	2.5%
Future wage and salary increases	3.5%	1.0%	0.085	1.0%
Future pension increase	0.0%	0.0%	0	0.0%
Fluctuation rate	0.0%	0.0%	0.16	5.0%

The assumptions about future life expectancy are based on published statistics and mortality tables. The BVG 2020 generation tables were used for Switzerland.

On 31.12.2023 the weighted average term of the defined benefit obligation was 13.3 years (previous year: 13.8 years).

The impact of changes in assumptions and parameters on the defined benefit obligation is shown in the following sensitivity analysis:

<i>Sensitivity analysis Switzerland</i>	<i>Change of Assumption</i>		<i>Increase of Acceptance</i>		<i>Decrease in Acceptance</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
Discount rate	0.5%	0.5%	-7.1%	-6.9%	8.6%	8.3%
Future wage or salary increase (incl. Inflation)	0.5%	0.5%	3.6%	3.7%	-3.1%	-3.3%
Expected pension increase	0.5%	0.5%	2.7%	2.8%	-2.4%	-2.6%
Change in Life expectancy	1 yr	1 yr	0.7%	0.6%	-0.7%	-0.7%

<i>Sensitivity analysis India</i>	<i>Change of Assumption</i>		<i>Increase of Acceptance</i>		<i>Decrease in Acceptance</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
Discount rate	1.0%	1.0%	-5.3%	-5.5%	5.9%	6.2%
Future wage or salary increase (incl. Inflation)	1.0%	1.0%	5.4%	5.9%	-5.1%	-5.5%
Fluctuation rate	25.0%	25.0%	-2.6%	-3.6%	3.2%	4.5%

A sensitivity analysis was not carried out for France, Italy and Hong Kong for reasons of materiality.

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

The coverage gap does not currently represent a significant risk. The obligations are regularly reviewed by the management so that suitable precautions can be taken in the event of significant changes.

7 Equity

7.1 Issued capital / Treasury shares

€ thousand	Dec. 31, 2023	Dec. 31, 2022
Issued as of January 1	10,014	8,648
Issued against cash contributions	-	1,365
Balance of purchased and sold treasury shares for share savings plans	9	1
Issued as of Dec. 31 - fully paid	10,023	10,014

The subscribed capital of EQS Group AG as of Dec. 31, 2023 is € 10.024.212,00 (Dec 31, 2022: € 10,024,212.00) and is fully paid up. It is divided into 10,024,212 (Dec. 31, 2022: 10,024,212) no-par value registered shares with a pro rata amount of the share capital of € 1.00 each. As of the reporting date, there were 1,220 treasury shares that were openly deducted from the subscribed capital (previous year: 10,000).

By resolution of the Annual General Meeting on June 30, 2023, the Management Board was authorized, with the approval of the Supervisory Board, to increase the share capital once or several times by a total of up to € 2,506,053.00 until June 29, 2028 against cash and/or non-cash contributions (Authorized Capital 2023/I).

The following resolutions were passed by the Annual General Meeting on June 30, 2023:

- Presentation of the 2022 annual financial statements
- Discharge of the Executive Board for the 2022 financial year
- Discharge of the Supervisory Board for the 2022 financial year
- Resolution on the election of the auditor
- Resolution on the elections to the Supervisory Board
- Cancellation of the previous Authorized Capital 2022/I
- Creation of new Authorized Capital 2023/I
- Amendment to Article 16 of the Articles of Association (virtual Annual General Meeting)

No new treasury shares were purchased for the employee participation program in the 2023 financial year. As a result of the takeover of the new investor, the employee participation program was wound up (the 2022 tranche was modified and the 2023 tranche was terminated early). The employee participation program is no longer settled in the form of shares, but in the form of a cash settlement. This cash settlement was paid out with the January 2024 salary. To compensate for the loss of the tax-free allowance under the action plan, an additional bonus of € 1 thousand per participating employee was also paid out with the January 2024 payroll. The 2023 tranche of the key share plan will be paid out in January 2025 and is linked to an existing employment contract as at January 1, 2025. This plan is classified as a liability in accordance with IAS 19 as at Dec. 31, 2023, as it no longer meets the definition of a share-based payment in accordance with IFRS 2. The remaining portion of the expenses (for the period January to December 2024) will be recognized pro rata until Dec.31, 2024.

7.2 Capital reserve

€ thousand	Dec. 31, 2023	Dec. 31, 2022
Balance of capital reserves at beginning of year	106,853	63,140
Capital increase	-	43,672
Share-based payment	-165	275
Change in treasury shares	0	-234
Total	106,688	106,853

Personnel expenses in connection with share-based payments were recognized in the capital reserve until the employee participation programmes are settled in the 2023 financial year. At the end of the reporting period, € -424 thousand (Dec. 31, 2022: € -57 thousand) from equity-based remuneration transactions were included in the capital reserve.

7.3 Retained Earnings

€ thousand	Dec. 31, 2023	Dec. 31, 2022
Balance at beginning of year	-4,909	-1,532
Cost of capital increase	-	-204
Adjustment of retained earnings of subsidiaries	-	154
Initial consolidation of subsidiaries	-	4
Share based payment	-152	-
Consolidated net income	-6,052	-3,332
Total	-11,113	-4,909

7.4 Other reserves

€ thousand	Dec. 31, 2023	Dec. 31, 2022
Status at the beginning of the year	252	-17
Foreign currency differences	-22	22
Remeasurements on defined benefit plans	-30	247
Total	200	252

Foreign currency differences

Currency differences from the translation of a controlled foreign operation are recognized in other comprehensive income in the statement of comprehensive income and reported cumulatively in other reserves in equity.

The cumulative amount in other reserves is reclassified to profit or loss (consolidated profit or loss) when the net investment is disposed of.

At the end of the reporting period, other reserves include currency differences from the translation of foreign operations in the amount of € 110 thousand (Dec. 31, 2022: € 132 thousand).

Actuarial gains and losses on defined benefit plans

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 recognized 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 as well as deferred taxes thereon, in the amount of € 90 thousand (Dec. 31, 2022: € 120 thousand).

7.5 Shares of non-controlling shareholders

€ thousand	Dec. 31, 2023	Dec. 31, 2022
Balance at beginning of year	1	0
Income attributable to non-controlling interests	-	1
Summe	1	1

The share of consolidated net income attributable to non-controlling interests amounts to € 619.49 (Dec. 31, 2022: € 618.21).

8 Cash flow disclosures

8.1 Non-cash investing and financing activities

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

- Acquisition of right-of-use assets - Note 6.3
- Shares issued to employees as part of the employee participation programs - Note 14.

8.2 Changes in liabilities from financing activities

<i>thousand €</i>	<i>As of Jan. 1, 2022</i>	<i>Cash effective</i>	<i>Non cash effective</i>	<i>As of Dec. 31, 2022</i>
Non-current bank loans	4,403	3,526	21,109	29,038
Current bank loans	53,930	-33,152	-15,763	5,015
Other credits	18,654	-16,897	-641	1,116
Deposits	10	-10	-	-
Lease liabilities	6,026	-1,763	-416	3,847
Total	83,023	-48,295	4,289	39,017

<i>thousand €</i>	<i>As of Jan. 1, 2023</i>	<i>Cash effective</i>	<i>Non cash effective</i>	<i>As of Dec. 31, 2023</i>
Non-current bank loans	29,038	-4,807	-3,140	21,091
Current bank loans	5,015	-	3,492	8,507
Other credits	1,116	-870	71	317
Deposits	-	-	-	-
Leasing liabilities	3,847	-1,486	-13	2,349
Total	39,017	-7,163	409	32,263

Non-cash changes in current and non-current bank loans mainly result from the reclassification between current and non-current. Financial liabilities are mainly denominated in Euros.

9 Significant estimates and judgements

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 judgements 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 judgements is included in the other notes, together with the basis of calculation for each affected line item in the financial statements.

Significant estimates and judgements

The significant estimates and judgments made by the Management Board in applying the company's accounting policies and the most significant effects of these judgments on the amounts recognized in the consolidated financial statements are presented below.

Significant estimates or discretionary decisions were exercised for:

- Recognition of revenue (Note 3)
- Internally generated intangible assets (Note 6.1)
- Goodwill (Note 6.1.)
- Accounting for leases (Note 6.3)
- Capitalization of deferred taxes on loss carryforwards (Note 6.4)
- Impairment due to expected credit losses on trade receivables and contract assets (Note 10.2.2)
- Liabilities from employee benefits (Note 6.8)
- Provisions (Note 6.7)

All estimates and discretionary decisions are reviewed on an ongoing basis and are based on past experience and other factors, including expectations of future events that may have a financial impact on the company and are considered appropriate under the given 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 net assets, financial position and results of operations in the future. Information on profits and losses for the current year has been included where relevant in order to clarify correlations.

<i>Risks</i>	<i>Risks from</i>	<i>Valuation</i>
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 Steering 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 AG reports regularly to the Supervisory Board of the Company.

10.1 Market risk

Market risk is the risk that market prices, e.g. exchange rates or interest rates, will change, thereby affecting the Group's income or the value of the financial instruments held. Financial instruments exposed to market risk include interest-bearing loans.

The sensitivity analyses in the following sections refer to the status as at December 31, 2023 and December 31, 2022.

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

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. 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 revenues (20 - 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:

thousand €	Liabilities		Assets	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
EUR	23	24	763	360
CHF	-	-	136	17
GBP	-	-	-	18
HKD	43	-	1	3
USD	323	237	50	367
SGD	-	-	67	130
AUD	-	-	-	9
DKK	-	-	1	1
NOK	-	-	290	262
CAD	-	-	1	2
TWD	-	-	68	148
CNY	-	-	1	44
SEK	-	-	115	84

The exchange rates used for currency translation are as follows:

	EUR/C HF	EUR/G BP	EUR/H KD	EUR/U SD	EUR/C AD	EUR/D KK	EUR/S EK	EUR/N OK	EUR/S GD	EUR/T WD	EUR/C NY	EUR/IN R
Rate at Dec. 31, 2023	0.93	0.87	8.63	1.11	1.46	7.45	11.10	11.23	1.46	33.67	7.85	91.90
Rate at Dec. 31, 2022	0.98	0.89	8.32	1.07	1.45	7.44	11.12	10.52	1.43	32.77	7.36	88.17
Average rate 2023	0.97	0.87	8.47	1.08	1.45	7.45	11.47	11.22	1.45	32.90	7.66	89.32
Average rate 2022	1.00	0.85	8.23	1.05	1.44	7.44	10.62	10.59	1.43	32.25	7.08	82.66

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.

<i>thousand €</i>	<i>Annual result</i>	
	<i>2023</i>	<i>2022</i>
Impact EUR	79	34
Impact CHF	14	2
Impact GBP	-	2
Impact HKD	4	-
Impact USD	37	12
Impact SGD	7	10
Impact AUD	-	1
Impact DKK	-	-
Impact NOK	29	4
Impact CAD	-	-
Impact TWD	7	15
Impact CNY	-	4
Impact SEK	12	1

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 relates to borrowings with variable interest rates (EURIBOR), which expose the EQS Group to cash flow interest rate risk. The Group's borrowings were denominated in euros in the reporting period.

EQS Group AG uses an interest rate cap for the long-term loans with a nominal amount of € 7.00 million and € 30.00 million (unchanged from the previous year) in order to hedge against an increase in the interest rate. The interest rate cap is 0.00% for the loan of €7.00 million and 3.00% for the loan of €30.00 million. The term of the two derivatives corresponds to the term of the respective loan and fully covers the loan volumes.

Borrowings are measured at amortized cost. They are regularly contractually adjusted to market interest rates (see below) and to this extent are also exposed to future changes in market interest rates.

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

<i>thousand €</i>	<i>Dec. 31, 2023</i>	<i>Dec. 31, 2022</i>
Variable-interest loans	29,597	34,054

A presentation of the maturities is shown in note 10.3.2.

Sensitivity

Earnings after taxes would react as follows to higher/lower interest expenses from variable-interest borrowing as a result of interest rate changes:

Impact on earnings after taxes thousand €	Dec. 31, 2023	Dec. 31, 2022
Interest rates - increase by 100 basis points	-363	-215
Interest rates - decrease by 100 basis points	224	27

10.2 Default risk

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

10.2.1 Risk management

Default risk is the risk of loss for the Group if a contracting party fails to meet its contractual obligations. The Group stipulates that business relationships are only entered into with creditworthy contracting parties and, if appropriate, collateral is provided in order to minimize the risk of loss from the non-fulfilment of obligations.

10.2.2 Impairment of financial assets

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

- Trade accounts receivables
- Contract assets.

Cash and cash equivalents are also subject to the impairment provisions of IFRS 9; due to the short-term instruments and their probability of default, there was no need to recognize a risk provision. The bank balances and derivatives are mainly held at Commerzbank and Deutsche Bank. There is no default risk for derivatives.

Trade accounts 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 accounts receivables and contract assets.

For the purpose of measuring expected credit losses, trade accounts 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 accounts receivables are a reasonable approximation of the loss rates for contract assets.

In principle, main target term of up to 30 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 accounts 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 accounts 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, 2023, 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 accounts receivables and contract assets as of Dec. 31, 2023, and Dec. 31, 2022 was determined as follows:

<i>thousand €</i> <i>As of Dec. 31, 2022</i>	<i>Not overdue</i>		<i>Overdue in Days</i>			<i>Total</i>
	<i>0</i>	<i>1-30</i>	<i>30-60</i>	<i>60-180</i>	<i>>180</i>	
Gross carrying amounts Trade accounts receivable	6,026	499	5	494	352	7,376
Gross carrying amounts of contract assets	276	-	-	-	-	276
Gross carrying amounts of em- ployee receivables	20	-	-	-	-	20
Default rate (%)	0.3%	-0.8%	-1.8%	-51.2%	-87.9%	
Expected credit loss over the term	-18	-8	-2	-170	-419	-617

<i>thousand €</i> <i>As of Dec. 31, 2023</i>	<i>Not overdue</i>		<i>Overdue in Days</i>			<i>Total</i>
	<i>0</i>	<i>1-30</i>	<i>30-60</i>	<i>60-180</i>	<i>>180</i>	
Gross carrying amounts Trade accounts receivable	8,590	2,697	587	878	776	13,528
Gross carrying amounts of contract assets	123	-	-	-	-	123
Gross book values Employee receivables	274	-	-	-	-	274
Default rate (%)	-0.2%	-0.7%	-1.4%	-23.7%	-97.3%	
Expected credit loss over the term	-21	-18	-8	-208	-755	-1,010

Change in valuation allowance:

thousand €	Dec. 31, 2023	Dec. 31, 2022
Opening balance sheet values in accordance with IFRS 9	617	794
Increase in allowance for credit losses recognized in profit or loss	651	22
Decrease in allowance for credit losses recognized in profit or loss	-136	-27
Amounts written off as uncollectible during the year	-122	-172
Balance at the end of the year	1,010	617

10.2.3 Significant estimates and judgements

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

Ultimately, responsibility for liquidity risk management lies with the Management Board, which has developed a concept for managing short, medium and long-term financing and liquidity requirements. The Group manages its liquidity risks by holding reserves, credit lines with banks and other facilities as well as by constantly monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. There are also additional, unused credit lines available to the Group to further reduce liquidity risks.

10.3.1 Financing agreements

At the end of the reporting period, the Group had unused credit lines of € 2.62 million (31.12.2022: € 2.53 million) at its disposal. The Group expects to be able to meet its other obligations through operating cash flows and proceeds received when financial assets fall due.

10.3.2 Maturities of financial liabilities

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

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

The tables are based on undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be obliged to pay. The table includes both interest and principal payments.

<i>As of Dec. 31, 2022</i>	<i>Effective interest %</i>	<i>Up to 1 year thousand €</i>	<i>Between 1 to 5 years thousand €</i>	<i>Over 5 years thousand €</i>	<i>Total thousand €</i>	<i>Book value thousand €</i>
Trade accounts payable	-	2,709	-	-	2,709	2,709
Leasing liabilities	-	1,996	1,906	-	3,902	3,848
Fixed-interest bank loans	1.80%	-	-	-	-	-
Variable-interest bank loans	5.11%	6,637	32,573	-	39,210	34,054
Contingent consideration	-	968	-	-	968	968
Deposits	-	-	-	-	-	-
Bank overdrafts / credit card settlements	-	72	-	-	72	72
Other loans	-	148	-	-	148	148
Total		12,530	34,480		47,009	41,798

<i>As of Dec. 31, 2023</i>	<i>Effective interest %</i>	<i>Up to 1 year thousand €</i>	<i>Between 1 to 5 years thousand €</i>	<i>Over 5 years thousand €</i>	<i>Total Thousand €</i>	<i>Book value thousand €</i>
Trade accounts payable	-	7,243	-	-	7,243	7,243
Leasing liabilities	-	1,561	788	-	2,349	2,349
Variable-interest bank loans	3,97%	9,601	22,972	-	32,573	29,597
Bank overdrafts / credit card settlements	-	50	-	-	50	50
Other loans	-	267	-	-	267	267
Total		18,722	23,760		42,482	39,506

10.4 Categories of financial instruments

The following table 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 that are 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 current financial assets, trade payables, current loans and other current financial liabilities corresponds approximately to their carrying amount, mainly due to the short maturities of these instruments.

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

<i>As of Dec. 31, 2022</i>	<i>Amortized acquisition cost thousand €</i>	<i>Fair value through profit and loss thousand €</i>	<i>Fair Value thousand €</i>	<i>Fair value hierarchy thousand €</i>
Financial Assets				
Long-term loans to managing directors and employees in management positions	859	-	859	3
Non-current depositors	287	-	287	3
Derivatives not designated as hedging instruments		717	717	1
Financial liabilities				
Borrowings from banks	34,054	-	34,054	3
Contingent consideration	968		968	3

<i>As of Dec. 31, 2023</i>	<i>Amortized acquisition cost thousand €</i>	<i>Fair value through profit and loss thousand €</i>	<i>Fair Value thousand €</i>	<i>Fair value hierarchy thousand €</i>
Financial Assets				
Long-term loans to managing directors and employees in management positions	783	-	783	3
Non-current depositors	385	-	385	3
Derivatives not designated as hedging instruments	-	318	318	1
	26		26	3
Financial liabilities				
Borrowings from banks	29,648	-	29,648	3
Contingent consideration	267	-	267	3

The fair value of loans to managing directors and employees in management positions corresponds to the carrying amount. The fair value was determined on the basis of the discounted cash flows using a current credit interest rate. As a result of unobservable input parameters, including the counterparty default risk, this is categorized in level 3 of the fair value hierarchy.

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 categorized in level 3 of the fair value hierarchy due to the use of unobservable input factors, including own default risk.

The fair value of the contingent consideration was determined as the discounted, contractually agreed value of the future payments. This is categorized in level 3 of the fair value hierarchy due to unobservable input parameters. See also note 16.

The fair value of the derivatives is available on the basis of observable market values and is therefore categorized in level 1 of the fair value hierarchy.

11 Capital management

11.1 Risk management

The Group manages its capital with the aim of ensuring that all Group companies are able to operate under the going concern forecast, while maximizing the returns to the company's stakeholders by optimizing the ratio of equity to debt. The Group's overall strategy has remained unchanged compared to the previous year.

The Group's capital structure consists of net liabilities (loans minus cash and cash in bank) and the Group's equity. This comprises issued shares, additional paid-in capital, retained earnings and other reserves.

The Management Board 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. Financial covenants are monitored by budget target/actual comparisons and monthly reporting.

<i>thousand €</i>	Dec. 31, 2023	Dec. 31, 2022
Financial liabilities	39,506	41,798
Income tax liabilities and other current and non-current liabilities	39,120	35,046
Cash and Cash Equivalents	-7,504	-10,655
Net debt	71,121	66,189
Equity	105,798	112,211
Shareholder's equity and Net financial debt	176,919	178,400
Debt-equity ratio	40.2%	37.1%

12 Events after the balance sheet date

On November 16, 2023, EQS Group AG signed an investor agreement with Pineapple German Bidco to acquire all outstanding shares at an offer price of EUR 40.00 per share in cash. The takeover offer of Pineapple German Bidco GmbH dated December 4, 2023 to the shareholders of EQS Group AG to acquire all shares of the company was completed on February 2, 2024. Subsequently, the shares of the Management Board members were transferred in accordance with the offer (in full except for Achim Weick) and the loans to the Management Board members were repaid. Pineapple German Bidco GmbH has informed EQS Group AG that it holds approximately 98% of the share capital of EQS Group AG.

Pineapple German Bidco GmbH, a holding company controlled by funds managed and/or advised by Thoma Bravo, L.P., has subscribed to a capital increase of 1,002,421 new registered shares at a total issue price of EUR 40,096,840.00 on January 31, 2024. EQS Group AG used the funds from the capital increase to repay the existing loan with Commerzbank and the syndicated loan ahead of schedule on February 2, 2024.

EQS Group AG has applied for the termination of the inclusion of the company's shares (ISIN DE0005494165) in trading on the OTC segments of the Frankfurt and Munich stock exchanges. The Frankfurt Stock Exchange announced on February 6, 2024 that the inclusion of the company's shares in the open market (Scale and Basic Board) will be discontinued at the end of May 6, 2024 and trading will be terminated on this date.

Pineapple German Bidco GmbH has submitted a request to EQS Group AG pursuant to section 327a para. 1 sentence 1 AktG, according to which the general meeting of EQS Group AG shall resolve on the transfer of the shares of the remaining shareholders (minority shareholders) to Pineapple German Bidco GmbH as majority shareholder against payment of an appropriate cash compensation (so-called squeeze-out under stock corporation law).

The employee share ownership programs were settled and the shares acquired last year were immediately matched and paid out in February 2024.

The Russian company Equity Story RS LLC was sold on January 16, 2024.

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 board members 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

thousand €	Services rendered		Services received	
	2023	2022	2023	2022
Members of the management in key positions of the company or of its parent company	-	-	336	395
Total	-	-	336	395

The purchased services mainly relate to the activities of the Supervisory Board.

Dividends and interest

thousand €	Dividends and Interest received		Dividends and Interest paid	
	2023	2022	2023	2022
Members of the management in key positions of the company of its parent company	19	7		
Total	19	7		

13.2 Outstanding balances from transactions with related parties

thousand €	Receivables from related parties and persons		Liabilities to related parties and persons	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Members of the management in key positions of the company or its parent company	234	-	117	244
Other related companies and parties				
Total	234	-	117	244

Loans from / to related parties

thousand €	Loans granted		Loans received	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Members of the management in key positions of the company or its parent company	234	269		
Other related companies and parties				
Total	234	269		

There is a loan receivable from the Management Board member André Silvério Marques in the amount of € 234 thousand (previous year: € 269 thousand) as at the balance sheet date. The loan has a term until April 30, 2025 and was used to purchase shares in EQS Group AG as part of the management participation program. The loan bears interest at 7.9% p.a. (previous year: 2.8%). Interest in the financial year amounted to € 17 thousand (previous year: € 17 thousand).

13.3 Remuneration for key management personnel

thousand €	2023	2022
Short-term benefits	1,671	1,673
Post-employment benefits	178	177
Total	1,849	1,850

14 Share-based payment

The employee stock participation 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 had set up two share participation programs for employees. Under the program, participants were granted matching shares if certain conditions were met. The matching shares were issued to those employees of EQS Group AG and its subsidiaries who acquire EQS shares as a personal investment over a maximum period of 12 months as part of the participation program and do not dispose of them during the investment period and a subsequent holding period of 12 to 24 months. Students, interns and members of the Executive Board were not eligible to participate. Shares could be purchased for a maximum of EUR 2,400 or EUR 12,000 per year. The personal purchase of each individual share entitles the participant to purchase a further EQS share at a ratio of 1:1 in accordance with the terms and conditions of the plan. The shares purchased and the shares granted were held in a bank custody account for the entire duration of the plan. If the plan conditions have been met in full at the end of the holding period, the matching shares were allocated to the participants.

Both share participation plans were classified as equity-settled share-based payment transactions in accordance with IFRS 2. During the months of November and December 2023, the current 2022 and 2023 plans were modified by EQS Group and the plan participants were given the opportunity to accept the modification of the plan.

The modification primarily concerns the form of settlement. Instead of settlement in equity instruments, the settlement were made in cash. For the plans of the 2023 tranche, this cash settlement was also brought forward by one year, thus shortening the original vesting period by one year. The fair value of an EQS Group AG share at the time of the modification was EUR 40.00.

Another special feature of savings plan 2 is that the payment for 2023 was postponed to 2025, linked to an existing employment relationship and fixed at a settlement value of EUR 40.00 per share. The amount of the consideration is therefore not subject to any further changes in the value of the equity instruments. The definition of a share-based payment plan and the scope of IFRS 2 are therefore no longer fulfilled for this plan. Instead, the provisions of IAS 19 apply to this payment.

14.2 Fair value of granted shares

Fair value of matching shares

The fair value of the employee share program was determined using the Monte Carlo simulation.

The following parameters were used to determine the fair values on the grant date of the equity-settled share-based payment plans:

Savings plan 1

	Date of grant	
	Jan. 2023	Jan. 2022
Fair value at measurement date (in EUR)	24.5	44.4
Expected volatility (in %)	31.0%	47.0%
Expected life (in years)	2	2
Risk-free interest rate (in %)	2.0%	-0.1%
Weight average stock rate	23.81	30.29
Strike price	23.00	37.20

Savings plan 2

	Date of grant	
	Jan. 2023	Jan. 2022
Fair value at measurement date (in EUR)	24.5	44.4
Expected volatility (in %)	33.0%	50.0%
Expected life (in years)	3	3
Risk-free interest rate (in %)	2.0%	-0.1%
Weight average stock rate	23.81	30.29
Strike price	23.00	37.20

The expected volatility was based on an assessment of the historical volatility of EQS Group AG's share price, particularly in the period corresponding to the expected term.

The total carrying amount for liabilities from share-based payment transactions amounted to € 1.3 million at the end of the reporting period.

Reconciliation of the outstanding matching shares

The number of matching shares developed as follows:

	Number	
	2023	2022
Outstanding as of January 1	26,305	21,235
Exercised / expired during the year	8,879	12,356
Committed during the year	16,085	17,426
Outstanding at December 31	33,511	26,305
Excercisable at December 31		-

The weighted average share price of the options exercised in the period amounted to € 23.00 (previous year: € 37.20).

Expenses recognized in profit or loss

The effect on the result for the period amounted to € 908 thousand (previous year: € 222 thousand).

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 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.

<i>Subsidiaries included in the consolidated financial statements</i>	<i>Location</i>	<i>Share of Equity</i>	
		<i>Dec. 31, 2023</i>	<i>Dec. 31, 2022</i>
Direct investments			
EQS Financial Markets & Media GmbH*	Munich, Germany	100.00%	100.00%
EquityStory 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	Copenhagen, Denmark	100.00%	100.00%
EQS Group S.r.l.	Milan, Italy	100.00%	100.00%
EQS Group doo	Belgrade, Serbia	100.00%	100.00%
EQS Group GmbH	Vienna, Austria	100.00%	100.00%
Business Keeper GmbH****	Berlin, Germany	n/a	100.00%
EQS Group Regtech S.L.U.	Madrid, Spain	100.00%	100.00%
Indirect investments			
EQS TodayIR Limited **	Hongkong	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	0.00%	0.00%

* Profit and loss transfer agreement; in liquidation

** Indirect participation via EQS Asia Limited

*** Indirect investment via EQS Financial Markets & Media GmbH incl. adjustment of previous year. The company was liquidated as at 29.4.2022.

**** Merger with EQS Group AG as of 1.4.2023

The fully consolidated company EQS Financial Markets & Media GmbH, registered office: Munich, HRB 199404, makes use of the exemption pursuant to Section 264 (3) HGB to prepare annual financial statements and a management report in accordance with the supplementary provisions for corporations pursuant to Sections 264 et seq. HGB and § 289 ff. HGB, to have them audited and to publish them.

Business Keeper GmbH, registered office: Berlin, HRB (237626), was merged with EQS Group AG, Munich, as the acquiring legal entity with effect from April 1, 2023.

Please refer to Note 7.5 for information on non-controlling interests. The changes in the scope of consolidation are shown below.

15.2 Changes in the scope of consolidation

Business combinations in the financial year

There were no business combinations in the 2023 financial year.

Mandatory and supplementary disclosures in accordance with HGB

Supplementary disclosures pursuant to Section 315e HGB

Number of employees

<i>Employees (per function)</i>	2023	2022
Software Development	222	240
Marketing & Sales	109	120
Product Management / Customer Success	146	134
General & Administration	89	82
Total	566	576

Auditor's fee

In the financial year 2023 fee expenses for the auditor totaling T€ 280 thousand (previous year: T€ 268 thousand) were recognized. Of this amount, audit services for 2023 totaled to T€ 190 thousand (previous year: T€ 211 thousand). Furthermore, in the financial year 2023 expenses for auditing services in the previous year in the amount of T€ 90 thousand were recognized.

Management Board

The Management Board consists of the following persons:

- Dipl. - Kfm. Achim Weick, Chief Executive Officer, Munich
- Dipl. - Kfm. Christian Pflieger, Chief Operating Officer, Munich
- Dipl. - Kfm., MBA, André Silvério Marques, Chief Financial Officer, Munich
- Dipl. BW (BA), MBA, Marcus Sultzer, Chief Revenue Officer, Pullach i. Isartal

The remuneration of the Management Board in the financial year 2023 € 1.85 Mio. (previous year: € 1.85 Mio.), of which variable T€ 0 (previous year: T€ 0) are bonus. Of the total remuneration T€ 201 (previous year: T€ 199) is attributable to insurance.

As at the balance sheet date, there is a loan receivable from the Management Board member André Silvério Marques in the amount of T€ 234 thousand (previous year: T€ 269 thousand). The loan has a term until April 30, 2025 and was used to purchase shares in EQS Group AG as part of the management participation program. The loan was granted at 7.9% p.a. (previous year: 2.8%). The repayment amount in the financial year amounted to T€ 35 thousand (previous year: € 35 thousand). The loan was repaid in full in February 2024.

The other board activities of the members of the Executive Board mainly comprise functions as managing directors of affiliated companies or subsidiaries of EQS Group AG.

The members of the Management Board perform the following additional functions in supervisory bodies:

- Achim Weick
 - Waag & Zübert Value AG, Nuremberg (Chairman of the Supervisory Board)
 - FABRI AG, Nuremberg (Chairman of the Supervisory Board) until June 12, 2023

Supervisory Board

- Robert Wirth, media marketing specialist BAW, entrepreneur and investor, Amberg (Chairman)
- Laurenz Nienaber, M.Sc., Investor and Managing Director of LMN Capital GmbH, Munich (Deputy Chairman)
- Kerstin Lopatta, Prof. Dr., Professor of Financial Accounting, Auditing and Sustainability, University of Hamburg, Hamburg

Other supervisory board mandates:

- Freenet AG (Supervisory Board)
- EUROKAI GmbH & Co. KGaA (Supervisory Board)
- Stephan Ritter, business graduate, Bergisch Glattbach
- Catharina van Delden, MBA, entrepreneur, Munich

Other supervisory board mandates:

- Sto SE & Co. KGaA, Stühlingen (Supervisory Board)
- Deutsche Bank AG, Munich (Member of the Advisory Board South)

16 Summary of significant accounting policies and measurement principles

16.1 Basics for compilation

16.1.1 Basics for preparation of the financial statements

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 that fall within the scope of IFRS 16, and
- c) Valuation standards that are similar to fair value but do not correspond to it, e.g. value in use in accordance with 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 criteria:

- Level 1 inputs are noted (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.

16.1.2 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.

The amendments had no material impact on the consolidated financial statements.

<i>Change/standard</i>	<i>Date of application (EU)</i>	<i>Brief description</i>
Amendments to IAS 12: Deferred taxes in connection with assets and liabilities from a single transaction	Jan. 1, 2023	Obligation to recognize deferred taxes for transactions that give rise to taxable and deductible temporary differences of the same amount on initial recognition.
IFRS 17 Insurance contracts	Jan. 1, 2023	Principles for recognition, measurement, presentation and disclosure requirements in relation to insurance contracts
Amendments to IFRS 9 Financial Instruments and IFRS 17 Insurance Contracts	Jan. 1, 2023	Update of IFRS 17: First-time application of IFRS 17 and IFRS 9 - Comparative information.
Amendments to IAS 1 and IFRS Practice Settlement 2: Disclosure of accounting policies	Jan. 1, 2023	Clarification in IAS 1: Companies must 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	obligation to recognize deferred taxes for transactions that give rise to taxable and deductible temporary differences of the same amount on initial recognition.
Amendments to IAS 12: International Tax Reform	Immediately Jan. 1, 2023	Implementation of the Pillar 2 model rules

16.1.3 New standards and interpretation 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.

<i>Change/standard</i>	<i>Date of application (EU)</i>	<i>Brief description</i>
Amendment to IAS 1 Presentation of Financial Statements: Classification of liabilities as current or non-current	Jan. 1, 2024	<p>Clarification of the previous law: A liability is to be 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.</p> <p>If the company expects and can demand that an obligation under an existing loan agreement is refinanced or extended for at least twelve months after the reporting date, the obligation is considered non-current even if it would otherwise fall due within a shorter period.</p>
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets by an Investor to its Associate or Joint Venture	n/a	Clarification that the gain or loss from the transfer of assets to an associate or joint venture must be recognized in full if a business within the meaning of IFRS 3 is transferred. In contrast, the gain or loss from such a transaction is only to be recognized on a pro rata basis if the transferred assets do not constitute a business.
Amendments to IFRS 16: Lease liabilities and lease-back	Jan. 1, 2024	Clarification of how a seller/lessee should apply the subsequent measurement requirements in IFRS 16 to the lease liability arising on a sale and leaseback transaction.
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments	Jan. 1, 2024	Clarification on the presentation of supplier finance arrangements
Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates	Jan. 1, 2025	Clarification on the mapping of exchange rates when a currency is not exchangeable

16.2 Corporate acquisitions and changes in the scope of consolidation

A subsidiary is included in the consolidated financial statements from the date on which the parent company obtains control over the subsidiary until the date on which control by the parent company ceases. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, respectively.

Profit or loss and each component of other comprehensive income are attributable to the shareholders of the parent company and to non-controlling interests. This applies even if this results in the non-controlling interests

having a negative balance. Where necessary, the financial statements of the subsidiaries are adjusted to bring the accounting policies into line with those used in the Group.

All intercompany assets, liabilities, equity, income, expenses and cash flows relating to transactions between Group companies are eliminated in full on consolidation.

Changes in the parent company's ownership interest in subsidiaries that do not result in a loss of control over that subsidiary are accounted for as equity transactions. The carrying amounts of the parent's investments and non-controlling interests are adjusted to reflect the changes in the ownership interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the shareholders of the parent.

Loss of control

When the mother company loses control of a subsidiary, the deconsolidation gain or loss is recognized in profit or loss. This is calculated as the difference between

- the total fair value of the consideration received, and the fair value of the investment retained and
- the carrying amount of the assets (including goodwill)
- and the liabilities of the subsidiary and any non-controlling interests.

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

If the company retains shares in the previous subsidiary, these are recognized at the fair value determined at the time of loss of control. This value represents the acquisition cost of the shares, which are subsequently measured in accordance with IFRS 9 or the regulations for associates or joint ventures, depending on the degree of control.

Acquisition of subsidiaries

The acquisition of businesses is accounted for using the purchase method. The consideration transferred in a business combination is measured at fair value. The fair value of the consideration transferred in a business combination is measured as the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred by the former owners of the acquiree, and equity instruments issued by the parent in exchange for control of the acquiree. Transaction costs associated with the business combination are expensed as incurred.

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

- Deferred tax assets or deferred tax liabilities and assets or liabilities relating to employee benefit arrangements are recognized and measured in accordance with IAS 12 and IAS 19, respectively.
- Liabilities or equity instruments relating to share-based payments or to the replacement of share-based payments by the parent company are measured at the acquisition date in accordance with IFRS 2; and
- Assets classified as held for sale in accordance with IFRS 5 are measured in accordance with this IFRS.

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed. If a negative difference arises, this is recognized immediately in profit or loss.

Non-controlling interests that currently convey ownership rights and grant the holder the right to receive a pro rata share of the net assets of the entity on liquidation are measured initially either at fair value or at the

proportionate share of the identifiable net assets. This option can be exercised anew for each business combination. Other components of non-controlling interests are measured at their fair values, or the value measures derived from other standards.

If the consideration transferred includes contingent consideration, it is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration during the measurement period are adjusted retrospectively and recorded against goodwill accordingly. Adjustments during the measurement period are adjustments to reflect additional information about facts and circumstances that existed at the acquisition date. However, the measurement period may not exceed one year from the acquisition date.

Changes in the fair value of the contingent consideration that are not adjustments 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 is accounted for within equity. A contingent consideration that is an asset or liability is measured at fair value at subsequent reporting dates and any resulting gain or loss is recognized in the consolidated statement of comprehensive income.

16.3 Foreign currency translation

In preparing the financial statements of each of the Group's entities, transactions denominated in currencies other than the Group's functional currency (foreign currency) are translated using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated using the closing rate. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the exchange rates at the date when the fair value was determined. Non-monetary items measured at cost are translated using the exchange rate at the date of initial recognition.

Translation differences arising on monetary items are recognized in profit or loss in the period in which they arise. This does not apply to

- Translation differences from loans denominated in foreign currencies that arise on assets intended for productive use in the process of construction. These are included in cost of sales if they represent adjustments to the interest expense on these loans denominated in foreign currency.
- Translation differences from transactions entered to hedge certain foreign currency risks.
- Translation differences arising on monetary items receivable from/ payable to a foreign operation that are neither planned nor likely to be settled, and therefore form part of the net investment in that foreign operation, are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal.

For the purpose of preparing the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into euros using exchange rates prevailing at the balance sheet date, except for equity, which is translated at historical rates. Income and expenses are translated at the average exchange rate for the period unless exchange rates fluctuate significantly during the period. In this case, the exchange rates at the date of the transaction are used. Exchange differences arising from the translation of foreign operations into the Group currency are recognized in other comprehensive income and accumulated in other reserves in equity.

Goodwill arising on the acquisition of a foreign operation and adjustments to the fair values of identifiable assets and liabilities are treated as assets or liabilities of the foreign operation and translated at the closing rate. Any resulting translation differences are recognized in other reserves.

16.4 Discontinued operations

A discontinued operation is defined as a part of a company that has either already been sold or has been classified as "held for sale" and represents a major line of business or a focus of geographical activity.

An operation is classified as discontinued at the time when the company has actually sold the operation or when the operation meets the criteria for classification as "held for sale".

For the classification, the business unit:

- represent a major line of business or geographical area of operations;
- be part of a single coordinated plan to divest a separate major line of business or operations in a geographic area;
- or a subsidiary acquired solely for the purpose of resale.

The sum of the profit or loss after tax of the discontinued operation and the profit or loss after tax recognized from the remeasurement from fair value less costs to sell or from fair value adjustments on disposal of the assets (or the group of assets held for sale) must be presented as a single amount in the income statement.

16.5 Recognition of revenue

The accounting policies for the Company's revenue from contracts with customers are discussed in Note 3.2.

16.6 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 tax is recognized in the consolidated statement of comprehensive income unless it relates to items recognized either in other comprehensive income or directly in equity. In this case, current and deferred tax is also recognized in other comprehensive income or directly in equity. If current or deferred taxes result from the initial accounting for a business combination, the tax effects are included in the accounting for the business combination.

The current tax expense is determined on the basis of taxable income for the year. Taxable income differs from net income as reported in the consolidated statement of comprehensive income due to expenses and income that are taxable or tax deductible in later years or never. The Group's liability for current taxes is calculated using enacted tax rates.

Deferred taxes are recognized for differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and on tax loss carry forwards. Deferred tax liabilities are generally recognized for all taxable temporary differences; deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Such deferred tax assets and deferred tax liabilities are not recognized if the temporary differences or tax loss carry forwards arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor net income.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from temporary differences in connection with investments in subsidiaries are recognized only to the extent that it is probable that sufficient taxable profit will be available against which the temporary differences can be utilized. In addition, it must be probable that these temporary differences will reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured using enacted tax rates and laws that are expected to apply when the liability is settled, or the asset is realized. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to settle the liability or realize the asset.

16.7 Leases

16.7.1 EQS Group as lessee

As a lessee, the Group recognizes a right of use and a liability for the payment obligation entered into at the time the leased asset is available for use by the Group. Exceptions are short-term leases and leases of low-value assets. For these leases, the Group recognizes the lease payments as rental expense on a straight-line basis over the lease term. Leases with a term of up to 12 months are classified as short-term leases. Assets of minor value up to USD 5,000 comprise property, plant and equipment. Rights-of-use over intangible assets that are not already explicitly excluded from the scope of IFRS 16 are optionally not accounted for using the right-of-use model.

In order to maintain operational flexibility, the Group leases in particular property, plant and equipment. At the inception of the lease, an assessment is made as to whether the lease 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 consideration.

A liability is recognized for the lease agreements in the amount of the present value of the existing payment obligation, comprising 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. For the determination of the present value, discounting is performed using a risk- and maturity-equivalent marginal interest rate if it is not possible to determine the implicit interest rate. The current portion of the leasing liability to be disclosed separately in the balance sheet is determined by the repayment portion of the lease payments over the next twelve months.

The initial value of the liability is also the starting point for determining the acquisition cost of the right of use. The cost of the right-of-use asset also includes initial direct costs and expected costs associated with a restoration obligation that do not relate to an item of property, plant and equipment. Prepayments increase and lease incentives received reduce the acquisition value. All rights of use are measured at amortized cost. Depreciation is calculated using the straight-line method over the shorter of the lease term and the useful life of the identified asset. If events or changes in circumstances indicate that the asset may be impaired, it is tested for impairment in accordance with IAS 36.

Leases are generally concluded for fixed periods of up to 10 years, but may have renewal and termination options. In determining the lease term, all facts and circumstances that provide an economic incentive to exercise existing options are taken into account. The assumed lease term therefore includes periods covered by renewal and termination options if there is reasonable certainty that the options will or will not be exercised. A change in the term is taken into account if there is a change in the reasonably certain exercise or non-exercise of an existing option. To ensure entrepreneurial flexibility, extension and termination options are agreed in particular for real estate leases.

Contracts may contain both lease and non-lease components. The Group only exercises the option not to separate lease and non-lease components for the subsidiary in India, but to account for the contract as a whole as a lease. Variable lease payments only occur to an insignificant extent, and the Group does not issue any residual value guarantees. Nor have any significant leasing agreements already been contractually agreed for which utilization has not yet commenced.

16.7.2 EQS Group 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 transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases.

The Group enters into leases as lessor only for leased real estate. For these subleases, the Group acts as an intermediary and accounts for the head lease and the sublease as two separate contracts. The classification of the sublease as a finance or operating lease is based on the right-of-use asset and not the underlying asset of the head lease.

Subleases are classified exclusively as operating leases and are recognized as rental income on a straight-line basis over the term of the respective lease. Initial direct costs incurred in negotiating and arranging the sublease are not added to the carrying amount of the leased asset for reasons of materiality. The subleases exclusively comprise lease components.

Finance leases

The Company does not hold any leases classified as finance leases.

16.8 Impairment of assets

At each reporting date and upon a triggering event, the Group reviews the carrying amounts of property, plant and equipment and all intangible assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the asset's recoverable amount is estimated to determine the extent of any impairment loss. If the recoverable amount of an individual asset cannot be estimated, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. If a reasonable and consistent basis for allocation can be determined, the corporate assets are allocated to the individual cash-generating units. Otherwise, they are allocated to the smallest group of cash-generating units for which a reasonable and consistent basis for allocation can be identified.

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

For intangible assets with indefinite useful lives or those that are not yet available for use, an impairment test is performed at least annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of the fair value less costs to sell and the value in use. In determining the value in use, the estimated future cash flows are discounted using a pre-tax interest rate. This pre-tax interest rate considers the current market assessment of the time value of money and the risks inherent in the asset to the extent that these have not already been taken into account in the estimate of the cash flows.

If the estimated recoverable amount of an asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. The impairment loss is recognized immediately in profit or loss unless the asset is carried at its revalued amount. In such a case, the impairment loss is treated as a reduction of the revaluation reserve.

If the impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the most recent estimate of its recoverable amount. An impairment loss recognized for goodwill may not be reversed in future periods. The increase in the carrying amount is limited to the amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

16.9 Cash and cash equivalents

Cash and cash equivalents are measured at cost. They comprise cash on hand, bank balances available on call, and other current highly liquid financial assets with a maturity of three months or less at the time of acquisition.

16.10 Financial assets and liabilities

16.10.1 Classification

Trade receivables are recognized from the date on which they are originated. All other financial assets and liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is classified and measured as follows:

- at amortized cost
- FVOCI debt instruments (investments in debt instruments measured at fair value with changes in other comprehensive income)
- FVOCI equity investments (equity investments measured at fair value with changes in other comprehensive income)
- FVTPL (financial asset measured at fair value through profit or loss)

16.10.2 Recognition and derecognition

A financial asset (other than a trade receivable without a significant financing component) or financial liability is measured initially at fair value. For an item that is not classified and measured as FVTPL, transaction costs that

directly relate to its acquisition or issue are attributable. Trade receivables without a significant financing component are initially measured at transaction price.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the cash flows in a transaction that also transfers substantially all the risks and rewards of ownership of the financial asset.

Derecognition also occurs when the Group neither transfers nor retains substantially all the risks and rewards of ownership of the transferred asset and does not retain control of the transferred asset.

The Group derecognizes a financial liability when the contractual obligations are discharged, cancelled, or expire. The Group also derecognizes a financial liability when the terms of the contract are modified, and the cash flows of the modified liability are significantly different. In this case, a new financial liability is recognized at fair value based on the adjusted terms.

On derecognition of a financial liability, the difference between the carrying amount of the liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

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

16.10.3 Valuation

Financial assets - classification, subsequent measurement and gains and losses

Financial assets are not reclassified after initial recognition unless the Group changes its business model for managing financial assets. In this case, all affected financial assets are reclassified on the first day of the reporting period following the change in business model.

A financial asset is measured at amortized cost if both of the following conditions are met, and it is not designated as FVTPL:

The financial asset is held within a business model whose objective is to hold financial assets to collect the contractual cash flows, and

the contractual terms of the financial asset give rise to cash flows at specified times that are solely payments of principal and interest on the principal outstanding.

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

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

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

- The financial asset is held as part of a business model whose objective is both to hold financial assets to collect contractual cash flows and to sell financial assets, and
- the contractual terms lead to cash flows at fixed points in time that represent solely payments of principal and interest on the outstanding principal amount.

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

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

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified and measured at amortized cost or 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 is designated as such upon initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains or losses, including interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign currency translation differences are recognized in profit or loss. Gains or losses on derecognition are also recognized in profit or loss.

Equity instruments

Dividends from a subsidiary are recognized in the entity's separate financial statements when the entity's right to receive the dividend is established. The dividend is recognized in profit or loss under other income.

16.10.4 *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 requirements of IFRS 9, but due to the short-term nature of the instruments and their probability of default, there is no need to recognize a provision for impairment. Cash and derivatives are mainly held with Commerzbank and Deutsche Bank.

The Group applies the simplified approach under IFRS 9 to measure expected credit losses. Accordingly, the 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 have been aggregated on the basis of common credit risk characteristics and days past due. Contract assets relate to work in progress that has not yet been invoiced and have substantially 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, please refer to Note 10.2.2.

16.11 *Property, plant, and equipment*

Office and business equipment and buildings are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on a straight-line basis over the useful lives of the assets (with the exception of assets under construction) less their residual values. The expected useful lives, residual values and depreciation methods are reviewed at each balance sheet date. Changes in estimates are taken into account prospectively.

Derecognition of tangible assets

A tangible asset is derecognized either upon disposal or when no further economic benefits are expected from the continued use or sale of the asset. Gains and losses arising from derecognition of the asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss in the period in which the asset is derecognized.

16.12 *Intangible assets and Goodwill*

16.12.1 *Concessions, industrial and similar rights and assets rights and assets*

Separately acquired intangible assets with finite useful lives

Intangible assets with finite useful lives acquired separately, i.e. not as part of a business combination, are recognized at cost less accumulated amortization and impairment losses. Amortization is recognized as an expense on a straight-line basis over the expected useful life. The expected useful life and the amortization method are reviewed at each reporting date and changes in estimates are accounted for prospectively.

Goodwill

Goodwill resulting from a business combination is carried at cost less any necessary impairment losses and is presented separately in the consolidated statement of financial position.

On disposal of a cash-generating unit, the amount of goodwill attributable to it is included in the determination of the gain or loss on disposal.

Internally generated intangible assets - research and development costs

The process of creating internally generated intangible assets is divided into a research phase and a development phase. Only costs incurred in the development phase may be capitalized. Costs for research activities are expensed in the period in which they are incurred. If the research phase cannot be separated from the development phase, the costs are allocated to the research phase.

An internally generated intangible asset arising from development activities or from the development phase of an internal project is recognized when the following evidence has been provided:

- Completion of the intangible asset is technically feasible so that it will be available for use or sale.
- There is an intention to complete the intangible asset and to use or sell it.

- The ability to use or sell the intangible asset exists.
- The intangible asset is expected to generate future economic benefits.
- The availability of adequate technical, financial, and other resources to complete development and to use or sell the intangible asset is assured.
- The ability to reliably determine the expenditure attributable to the development of the intangible asset exists.

The amount at which an internally generated intangible asset is initially recognized is the sum of the expenditure incurred from the date when the intangible asset first meets the conditions above. If an internally generated intangible asset cannot be capitalized or no intangible asset exists yet, the development costs are recognized in profit or loss in the period in which they are incurred.

All non-capitalizable research and development expenses were expensed in the period in which they were incurred

In subsequent periods, internally generated intangible assets are recognized at cost less accumulated amortization and impairment losses, in the same way as purchased intangible assets. Capitalized development costs in the Group are generally amortized on a straight-line basis over a useful life of 5 to 10 years.

Intangible assets acquired in a business combination

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

In subsequent periods, intangible assets acquired in a business combination are measured at cost less accumulated amortization and impairment losses in the same way as separately acquired intangible assets.

Derecognition of intangible assets

An intangible asset shall be derecognized upon disposal or when no further economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of an intangible asset, measured at the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statement of comprehensive income when the asset is derecognized. It is recognized in other income or other expenses.

16.12.2 *Depreciation methods and periods*

For details of the amortization methods and periods applied by the Group for intangible assets, please refer to Note 6.1.1.

16.13 *Trade accounts payable and other financial liabilities*

These amounts relate to outstanding payables for goods and services received by the Group before the end of the fiscal year. The amounts are uncollateralized and are usually paid within 30 days of recognition. Trade payables and other financial liabilities are classified as current liabilities unless their settlement is not due within 12 months after the reporting period. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

16.14 *Borrowings*

Borrowings are initially recognized at fair value less transaction costs incurred. Subsequently, the loans are measured at amortized cost. Differences between the amounts received (net of transaction costs) and the principal repayments are recognized in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees for the establishment of credit facilities are recognized as transaction costs under the loan to the extent that it is probable that part or all of the facility will be drawn down. In this case, the fee is deferred until drawn down. To the extent that there is no indication that drawdown of part or all of the facility is probable, the fee is capitalized as an advance payment for financial services and amortized over the term of the facility to which it relates.

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

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

16.15 *Borrowing costs*

Borrowing costs directly associated with the acquisition, construction or production of qualifying assets are added to the cost of those assets until the assets are substantially ready for their intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

In the Group, all borrowing costs are recognized in the income statement in the period in which they are incurred.

16.16 *Provisions*

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the provision.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Inherent risks and uncertainties in the obligation must be taken into account. If a provision is measured on the basis of the estimated cash flows required to settle the obligation, these cash flows must be discounted if the interest effect is material.

Where it is probable that some or all of the economic benefits required to settle the obligation will be reimbursed by an external party, the reimbursement is recognized as an asset if the reimbursement is virtually certain and the amount can be reliably estimated.

Onerous contracts

Present obligations arising in connection with onerous contracts are recognized as provisions. The existence of an onerous contract is presumed when the Group is party to a contract under which the unavoidable costs of

meeting the obligations under the contract are expected to exceed the economic benefits associated with the contract.

Dismantling obligations

Restoration obligations exist in particular in the area of real estate leasing. Provisions for restoration expenses for leased office space are recognized if the obligation arises at the inception of the lease or as a result of the use of the property during the lease term. In the valuation, the best estimate is made of the expenditure required to restore the leased property to its original condition. The estimates are reviewed regularly and adjusted if necessary.

16.17 *Employee benefits*

16.17.1 *Current employee benefits payable*

Liabilities for wages and salaries, including non-monetary benefits, for annual leave and for overtime, which 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 recognized for employee services until the end of the reporting period and measured at the amounts expected to be paid to settle the liabilities. In the consolidated statement of financial position, the liabilities are presented as current employee benefit obligations.

16.17.2 *Post-employment benefits*

In the case of defined contribution pension plans, the Company makes 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, the Company has no further payment obligations. Contributions are recognized as personnel expense when due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments has been made.

In addition, defined benefit plans exist in various foreign entities:

Switzerland

The amount of the benefits depends on the length of service and the salary of the beneficiaries in the years prior to retirement and guarantees them lifelong pension payments. Retirement is at age 65 for men and 64 for women; early retirement is possible from age 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 according to BVG.

The defined benefit plans are administered by a single fund that is legally independent of the Group. The Board of Directors of the pension fund is required by law and its charter to act in the interests of the fund and its relevant beneficiaries, i.e. active employees, inactive employees, retirees and employers. The Board of Directors is responsible for the management and for determining the investment policy for the assets of the fund.

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 defined in the plan's funding guidelines. Employees and employers each pay half of the total contributions.

India

The plan provides a lump sum benefit in case of death, disability, resignation, or retirement based on final salary at the time of resignation. The plan benefits amount to 15/26 times the final salary at the time of leaving the company 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 employed by the Group at the time of retirement.

The plan is unfunded.

Italy

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

The plan is unfunded.

Hong Kong

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong", which provides guidance on the offsetting mechanism and the abolition of the mechanism. Hong Kong employees who have been continuously employed for at least five years are entitled to long service payments under the Hong Kong Employment Ordinance in certain circumstances.

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 one-half of the total contributions.

16.18 *Government grants*

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

Government grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the government grants are intended to compensate. Government grants are deducted from the related expenses.

16.19 *Equity*

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recognized at the proceeds received, at the net of any directly attributable

issue costs. Issuance costs are those costs that would not have been incurred if the equity instrument had not been issued.

Repurchases of own equity instruments are deducted directly from equity. Neither the purchase nor the sale, issue or cancellation of own equity instruments are recognized in profit or loss.

Debt and equity instruments issued by a Group company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangement and the definitions.

16.20 *Dividends and interest income*

Dividend income from shares is recognized when the entity's right to receive payment is established. This is subject to the condition that it is probable that the economic benefits will flow to the Group and the amount of the income can be measured reliably.

Interest income is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued in accordance with the outstanding nominal amount using the relevant effective interest rate. The effective interest rate is the rate that exactly discounts expected future cash receipts through the expected life of the financial asset to the net carrying amount of the asset when it is initially recognized.

16.21 *Share-based payment*

Equity-settled share-based payments to employees are measured at the fair value of the equity instrument at the grant date.

The fair value determined on granting the equity-settled share-based payment transactions is recognized as an expense on a straight-line basis over the vesting period with a corresponding increase in equity and is based on the Group's expectations regarding the equity instruments that are expected to vest. At each reporting date, the Group reviews its estimates of the number of equity instruments that will vest. The effects of changes in the original estimates, if any, are recognized in profit or loss. Recognition is such that the total expense reflects the change in estimate and results in a corresponding adjustment to the reserve for equity instruments.

16.22 *Earnings per share*

Basic earnings per share are calculated by dividing the share of profit after tax attributable to the shareholders of the parent company by the weighted average number of shares outstanding during the financial year. Diluted earnings per share are calculated assuming that all potentially dilutive securities and share-based payment plans are converted or exercised.

Approval of the Financial Statement

The Executive Board approved and released the financial statement for publication on March 27, 2024.

Munich, March 27, 2024.



Achim Weick
(Founder and CEO)

Christian Pflieger
(COO)



André Silvério Marques
(CFO)

Marcus Sultzer
(CRO)

Reproduction of the audit opinion

OPINION OF THE INDEPENDENT AUDITOR

To EQS Group AG, Munich,

Audit assessments

We have audited the consolidated financial statements of EQS Group AG, Munich and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1, 2023 to December 31, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report of EQS Group AG for the financial year from January 1, 2023 to December 31, 2023.

In our opinion, based on the findings of our audit:

the accompanying consolidated financial statements comply, in all material respects, with IFRS and give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2023 and of its financial performance for the financial year from January 1, 2023 to December 31, 2023 in compliance with these requirements, and

the accompanying combined management report as a whole provides a suitable view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Group companies in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

Other information

The legal representatives or the Supervisory Board are responsible for the other information. The other information comprises the remaining parts of the annual report, with the exception of the audited consolidated financial statements and combined management report and our auditor's report. Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.