



# **Annual financial statements as of December 31, 2023**

**EQS GROUP AG**  
**Munich**

**- Convenience Translation -**

# Balance sheet

Assets	31.12.2023 EUR	31.12.2022 incl. Business Keeper EUR	31.12.2022 EUR
<b>A. Fixed assets</b>			
<b>I. Intangible assets</b>			
1. Internally-created industrial property rights and similar rights and assets	11.428.548,69	10.937.067,47	10.937.067,47
2. Concessions, industrial property rights and similar rights and values and similar rights and assets as well as licences to such rights and assets	7.883.529,33	2.167.186,42	1.913.128,90
3. Goodwill	85.758.802,73	4.103.608,63	4.103.608,63
	105.070.880,75	17.207.862,52	16.953.805,00
<b>II. Tangible assets</b>			
Other equipment, operating and office equipment	939.058,06	1.074.622,75	823.051,30
<b>III. Financial assets</b>			
1. Shares in affiliated companies	25.684.546,18	117.113.356,95	117.113.356,95
2. Loans to affiliated companies	8.305.001,90	16.911.461,64	16.911.461,64
3. Other loans	820.868,82	943.380,54	943.380,54
	34.810.416,90	134.968.199,13	134.968.199,13
<b>B. Current assets</b>			
<b>I. Inventories</b>			
Work in progress	49.271,64	89.070,63	89.070,63
<b>Receivables and other assets</b>			
<b>II.</b>			
1. Trade receivables	5.216.235,57	5.014.237,82	3.554.146,48
2. Receivables from affiliated companies	1.732.300,95	1.232.154,33	1.883.313,27
3. Other assets	461.041,49	734.182,63	546.315,15
	7.409.578,01	6.980.574,78	5.983.774,90
<b>III. Cash in hand, bank balances</b>	1.676.950,54	6.636.005,57	3.458.080,75
<b>C. Prepaid expenses</b>	1.391.208,11	1.232.209,44	1.214.748,95
<b>D. Deferred tax assets</b>	6.896.565,10	4.152.516,94	4.152.516,94
	<b>158.243.929,11</b>	<b>172.341.061,76</b>	<b>167.643.247,60</b>

# Balance sheet

	31.12.2023	31.12.2022 incl. Business Keeper	31.12.2022
	EUR	EUR	EUR
<b>Liabilities and Equity</b>			
<b>A. Equity</b>			
I. Issued capital (Conditional capital) less imputed value of treasury shares	10.024.212,00  -1.220,00	10.052.046,00  -10.000,00	10.024.212,00  -10.000,00
	10.022.992,00	10.042.046,00	10.014.212,00
II. Capital reserve	107.069.298,64	130.103.974,50	107.074.849,46
III. Accumulated earnings	-16.706.975,42	-24.753.009,65	-2.729.379,71
	100.385.315,22	115.393.010,85	114.359.681,75
<b>B. Provisions</b>			
1. Tax provisions	697.049,20	780.565,54	21.280,00
2. Other provisions	7.071.419,47	1.762.525,71	1.502.260,62
	7.768.468,67	2.543.091,25	1.523.540,62
<b>C. Liabilities</b>			
1. Liabilities to banks	29.627.909,87	34.473.332,88	34.473.332,88
2. Advance payments received on orders	49.778,00	77.625,00	77.625,00
3. Liabilities from deliveries and services	1.737.709,46	835.258,61	723.333,08
4. Liabilities from affiliated companies	4.023.963,24	6.187.703,38	6.187.703,38
5. Other liabilities	1.292.250,61	2.034.848,97	1.680.707,52
	36.731.611,18	43.608.768,84	43.142.701,86
<b>D. Deferred income</b>	7.371.773,65	6.995.952,83	4.817.085,38
<b>E. Deferred tax liabilities</b>	5.986.760,39	3.800.237,99	3.800.237,99
	<b>158.243.929,11</b>	<b>172.341.061,76</b>	<b>167.643.247,60</b>

# Profit and loss account

for the financial year from January 1 to December 31, 2023

	2023	2022	2022
	EUR	incl. Business Keeper	EUR
1. Revenue	53.751.040,49	47.575.296,23	39.578.152,62
2. Change in inventory of work in progress	-106.912,36	126.564,13	26.462,27
3. Own cost capitalized	1.973.032,57	2.256.075,87	2.256.075,87
4. Other operating income <i>- thereof from currency translation EUR 225,881.20 (previous year: EUR 83,036.50)</i>	754.804,04	530.026,34	428.687,11
5. Purchased services	-11.257.298,26	-12.098.009,29	-11.543.419,53
6. Personnel expenses	-28.827.258,23	-25.751.320,90	-21.247.460,57
a) Wages and salaries	-24.406.902,62	-21.952.638,75	-18.134.587,21
b) Social security contributions and expenses for pensions and other benefits <i>- of which for pensions EUR -219,267.46 (previous year: EUR -249,968.68)</i>	-4.420.355,61	-3.798.682,15	-3.112.873,36
7. Depreciation and amortization	-11.333.961,44	-2.302.258,00	-2.170.319,09
a) Amortization of intangible assets and depreciation of property, plant and equipment	-10.043.717,44	-2.302.258,00	-2.170.319,09
b) Depreciation and amortization of current assets	-1.290.244,00	0,00	0,00
8. Other operating expenses <i>- thereof from currency translation EUR -88,036.63 (previous year: EUR -165,692.20)</i>	-19.296.594,44	-13.411.326,78	-12.454.297,72
<b>Operating result (EBIT)</b>	<b>-14.343.147,63</b>	<b>-3.074.952,40</b>	<b>-5.126.119,04</b>

# Profit and loss account

for the financial year from January 1 to December 31, 2023

9.	Income from investments <i>- thereof from affiliated companies EUR 100,000.00 (previous year: EUR 235,000.00)</i>	100.000,00	235.000,00	235.000,00
10.	Income from loans of financial assets <i>- thereof from affiliated companies EUR 240,904.79 (previous year: EUR 293,524.76)</i>	575.573,61	293.524,76	293.524,76
11.	Other interest and similar income	54.750,71	20.539,44	20.539,44
12.	Expenses from loss transfer	-68.335,56	-163.016,13	-163.016,13
13.	Depreciation on financial assets	0,00	-729.012,01	-729.012,01
14.	Interest and similar expenses <i>- of which from compounding EUR -13,582.29 (previous year: EUR -699.44)</i> <i>- thereof to affiliated companies EUR -26,622.42 (previous year: EUR -71,596.09)</i>	-2.811.599,19	-2.173.263,92	-2.173.263,92
15.	Taxes on income and earnings <i>- of which income from deferred taxes EUR 2,750,444.96 (previous year: EUR 2,098,516.98)</i>	2.723.764,44	1.318.564,60	2.077.848,20
<b>16.</b>	<b>Result after taxes</b>	<b>-13.768.993,62</b>	<b>-4.272.615,66</b>	<b>-5.564.498,70</b>
17.	Other taxes	2,56	6,36	6,36
<b>18.</b>	<b>Net loss for the year</b>	<b>-13.768.991,06</b>	<b>-4.272.609,30</b>	<b>-5.564.492,34</b>
19.	Profit carried forward from the previous year	-2.729.379,71	2.835.112,63	2.835.112,63
	Adjustment of profit carried forward Settlement of employee participation program	-208.604,65	0,00	0,00
<b>20.</b>	<b>Accumulated deficit</b>	<b>-16.706.975,42</b>	<b>-1.437.496,67</b>	<b>-2.729.379,71</b>

# ***Notes to the Financial Statements***

of EQS Group AG, Munich, for the financial year 2023

## ***1.1 General information about the company***

EQS Group AG has its registered office in Munich. It is entered in the commercial register of the Munich Local Court under the registration number HRB 131048. The shares are traded in the "Scale" segment of Deutsche Börse AG.

## ***1.2 Information on the content and structure of the annual financial statements***

EQS Group AG exceeds the size criteria for large corporations pursuant to Section 267 (2.3) HGB. Accordingly, the notes were prepared in accordance with the regulations for large corporations.

The annual financial statements were prepared on the basis of the German accounting regulations of Sections 242 et seq. and 264 et seq. HGB (German Commercial Code). The provisions of the German Stock Corporation Act were also observed.

The financial year covers the period from January 1 to December 31, 2023. The income statement was prepared using the nature of expense method.

## ***1.3 Accounting and valuation methods and foreign currency translation***

The annual financial statements have been prepared on a going concern basis (Section 252 (1) no. 2 HGB). The following accounting and valuation methods, which are essentially unchanged, were used to prepare the annual financial statements.

The capitalization option for **internally generated intangible** fixed assets in accordance with Section 248 (2) sentence 1 HGB was exercised. They were recognized at production cost, less scheduled straight-line amortization, and written down if their value is expected to be permanently impaired. Production costs include employee labor costs plus allowable overheads. Borrowing costs were not included in the production costs. The normal useful life is currently 5 to 10 years.

**Intangible fixed assets acquired** are recognized at the time of the transfer of economic or legal ownership at cost in accordance with Section 255 (1) HGB are capitalized and amortized over their expected useful lives as well as impairment in the event of a probable permanent reduction in value. The normal useful life is between 1 and 20 years.

**Goodwill acquired** is capitalized at the time of the transfer of economic or legal ownership at acquisition cost in accordance with Section 255 (1) HGB and amortized on a straight-line basis over its useful life of 10 years in accordance with Section 253 (3) HGB and written down if impairment is expected to be permanent. The useful life reflects the appropriate period for leveraging synergies.

**Property, plant and equipment** is recognized at the time of the transfer of economic or legal ownership at cost in accordance with Section 255 (1) HGB less scheduled straight-line depreciation. The depreciation period corresponds to the normal useful life. This is between 3 and 23 years. Impairment losses are recognized if the impairment is expected to be permanent. Low-value assets with an acquisition value of up to € 800.00 were capitalized and fully depreciated in the year of acquisition.

**Financial assets** are recognized at the time of the transfer of economic or legal ownership at acquisition cost in accordance with Section 255 (1) HGB or at the lower fair value; impairment losses are recognized in accordance with Section 253 (3) sentence 5 HGB if the impairment is expected to be permanent. Write-ups due to the requirement to reinstate original values are carried out up to the original acquisition cost if the reasons for the permanent impairment no longer exist. Loans are initially recognized at nominal value.

**Foreign currency translation for loans** in foreign currencies is carried out at the exchange rate valid at the time of acquisition or at the permanently lower mean spot exchange rate on the balance sheet date.

**Work in progress** is recognized at production cost or the lower of cost or value, corresponding to the production costs incurred to date. The strict lower of cost or market principle is respected in the valuation. Work in progress was valued based on employee hourly rates plus allowable overheads. Borrowing costs were not included in the production costs.

**Receivables and other assets** are generally recognized at nominal value. Recognizable individual risks in the case of doubtful receivables are taken into account through individual value adjustments. To cover the general credit, interest and default risk for trade receivables, an appropriate general bad debt allowance is recognized on the net amount of receivables not subject to specific bad debt allowances. The premiums of derivatives are capitalized under other assets and amortized over the term. If the fair value is lower, an extraordinary write-down is recognized in current assets.

**Receivables in foreign currencies** are valued at the mean spot exchange rate on the balance sheet date. In the case of non-current foreign currency receivables (residual term > 1 year), the original acquisition costs are not exceeded.

**Bank balances** are recognized at nominal value. Bank accounts in foreign currencies are valued at the mean spot exchange rate on the balance sheet date.

**Prepaid expenses and deferred** charges are calculated pro rata temporis in accordance with Section 250 (1) HGB.

**Deferred taxes** were calculated for temporary differences between the commercial and tax valuations of assets, liabilities and prepaid expenses that are expected to reverse in later financial years. The company recognizes deferred tax assets and liabilities are not netted. When calculating deferred taxes, existing loss carryforwards are taken into account in the amount of the losses expected to be offset within the next five years. The measurement of deferred taxes is based on a tax rate of 32.95% or 30.18%.

The **subscribed capital** is recognized at nominal value. The nominal value or notional value of the treasury shares acquired is openly deducted from the subscribed capital. The difference between the nominal value or imputed value and the acquisition cost of the treasury shares acquired is offset against the freely available reserves and retained earnings. The costs of the acquisition are recognized as an expense in the current financial year.

Other **provisions** are recognized at the settlement amount required according to prudent business judgment. All recognizable risks and contingent liabilities as well as impending losses from pending transactions are taken into account. Other provisions with a remaining term of more than one year are discounted at the average market interest rate of the past seven financial years corresponding to their remaining term in accordance with Section 253 (2)

HGB. The discounted amount is recognized in the financial result. When determining the settlement amount, the expected cost increases up to the settlement date are also taken into account.

**Liabilities** are recognized at their settlement amounts.

**Liabilities in foreign currencies** with a remaining term of no more than one year are valued at the mean spot exchange rate on the balance sheet date. Non-current foreign currency liabilities (residual term > 1 year) are measured at the higher of the exchange rate at the time of invoicing or the mean spot exchange rate on the balance sheet date.

**Exchange rate differences** are recognized under "Other operating income" or "Other operating expenses" in the income statement. Exchange rate differences arise between the date on which an asset or liability denominated in a foreign currency is recognized and the date on which the item is settled or - taking into account the lower of cost or market principle - translated when the balance sheet is prepared.

In principle, **revenue** is recognized when the service is rendered. In the case of continuing obligations with a longer performance period, the partial services are recognized pro rata temporis for the expired contract period. If amounts for future periods are collected in advance, the income from the contractual relationship is only collected pro rata temporis. For this purpose, a deferred income item is recognized in the balance sheet, which is reversed over the remaining term of the contract.

## 1.4 Notes to the balance sheet

The development of the individual fixed asset items is shown in the **statement of changes in** fixed assets attached as Appendix 1 to the Notes. With regard to the list of shareholdings in accordance with Section 285 No. 11 HGB, please refer to Appendix 2 to the Notes.

**Intangible assets** include internally generated intangible assets amounting to € 11.43 million (previous year: € 10.94 million), software licenses amounting to € 3.83 million (previous year: € 693 thousand) and property rights amounting to € 3.05 million (previous year: € 16 thousand), which mainly arose from the merger of Business Keeper GmbH. There are also customer bases acquired against payment totaling € 1.01 million (previous year: € 1.20 million), which are amortized over 15 or 20 years.

**Research and development costs** for the 2023 financial year amounted to € 6.85 million (previous year: € 5.54 million). Of this amount, € 1.97 million (previous year: € 2.26 million) is capitalized under internally generated intangible assets.

**Goodwill** mainly results from the merger (at cost) of Business Keeper GmbH with EQS Group AG as at April 1, 2023, which resulted in goodwill of € 88.83 million, which had a value of € 82.17 million as at the balance sheet date. There is also goodwill from previous transactions in the amount of € 3.59 million (previous year € 4.10 million). Goodwill is amortized over the expected useful life of 10 years.

**Property, plant and equipment** mainly comprises IT equipment in the amount of € 403 thousand (previous year: € 348 thousand), office equipment in the amount of € 395 thousand (previous year: € 260 thousand) and leasehold improvements in the amount of € 81 thousand (previous year: € 135 thousand).

**Shares in affiliated companies** decreased by -78% from € 117.11 million to € 25.68 million, mainly due to the merger of Business Keeper GmbH as of April 1, 2023 as well as changes in receivables and the associated increase in shares in EQS Group Inc. (USA), EQS Group Srl (Italy) and EQS Group Regtech SLU (Spain).

There are **loans to affiliated companies** to some subsidiaries: EQS Ltd (€ 774 thousand; previous year: € 1.34 million), EQS Group SAS (€ 1.23 million; previous year: € 2.89 million) and EQS Group AG (Switzerland) (€ 6.25 million; previous year: € 7.08 million). Loans to affiliated companies decreased by -51% compared to the previous



year. This is due to the conversion (and contribution to the equity of the respective company) of some loans into shares in affiliated companies. For the loan to EQS Asia Limited, Hong Kong, included in the **loans to affiliated companies**, which was written off in full (€ 3.65 million) in 2019, a reversal of impairment in the amount of the repayment amount of € 373 thousand (previous year € 152 thousand) was carried out in 2023, as a permanent recovery can be assumed here.

**Other loans** amounting to € 821 thousand (previous year: € 943 thousand) mainly consist of employee loans, which are being reduced as planned due to the agreed repayments.

**Trade receivables** in the amount of € 5.22 million (previous year: € 3.55 million) have a remaining term of up to one year. **Receivables from affiliated companies** in the amount of € 1.73 million (previous year: € 1.88 million) also have a remaining term of up to one year and are fully attributable to trade receivables. Trade receivables within affiliated companies result primarily from the integration of acquired companies and the associated exchange of services.

**Other assets** include € 347 thousand for premiums from interest rate hedges that are amortized over the contractual terms and have a remaining term of more than one year. Other assets include accrued income of € 25 thousand (previous year: € 63 thousand). These are input tax amounts that are deductible in the following year.

**Deferred tax assets of** € 6.86 million (previous year: € 4.12 million) were recognized on loss carryforwards and € 40 thousand (previous year: € 14 thousand) on foreign currency differences.

They developed as follows as at the balance sheet date:

<b>Deferred tax assets As at 01/01/2023</b>	<b>4.153 T€</b>
Change in	2.744 T€
<b>As of 12/31/2023</b>	<b>6.897 T€</b>

The adjustments were recognized in the income statement.

The company's **issued capital** amounted to € 10,024,212.00 as at December 31, 2023 (previous year: € 10,024,212.00) and is fully paid up. It is divided into 10,024,212 (previous year: 10,024,212) no-par value registered shares. Each share grants one vote. As at the reporting date, the company held 1,220 treasury shares, which are openly deducted from subscribed capital.

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
- Approval of the actions of the Executive Board for the 2022 financial year
- Ratification of the actions 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 (2022 tranche) in the 2023 financial year. Due to the takeover of the new investor, the employee participation program was modified and partially terminated prematurely. The settlement of the employee participation program for 2024 will therefore no

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longer take place in the form of shares, but in the form of a cash settlement. This cash settlement will be paid out with the January 2024 salary. For the key share plan, payment will be made in January 2025 and the corresponding provision will be built up in installments until then. In order to compensate for the existing loss of the tax-free allowance as part of the action plan, an additional bonus of EUR 1 thousand per participating employee will also be paid out with the January 2024 payroll.

Treasury shares amounted to 1,220 shares on the balance sheet date. The effect for the financial year from the sale of treasury shares is shown in the capital reserve.

The **capital reserve** developed as follows as at the balance sheet date:

<b>Capital reserve 01.01.2023</b>	<b>107.074.849,46</b>
Premium from the issue of new shares	0,00
Allocation from employee participation program	-5.550,82
Premium from the purchase of treasury shares	0,00
<b>Capital reserve 12/31/2023</b>	<b>107.069.298,64</b>

The accumulated loss as at December 31, 2022 of € -2,729,379.71 was carried forward to new account. Taking into account the net loss for 2023 of €-13,768,993.62 and an entry of € 208,604.65 recognized directly in equity in the profit carried forward relating to the termination of the employee participation programs, the **accumulated deficit as at** the reporting date of 31 December 2023 amounted to €-16,706,975.42.

**Amounts blocked from distribution in accordance with Section 285 No. 28 HGB in conjunction with § Section 268 (8) HGB:**

Taking into account the deferred tax liabilities recognized on the gross amounts, the amounts blocked from distribution within the meaning of Section 268 (8) HGB included in equity as at December 31, 2023 are as follows

12.34 million (previous year: € 11.49 million), of which € 7.66 million (previous year: € 7.33 million) is attributable to internally generated intangible assets less deferred tax liabilities recognized on them. There are also deferred tax assets on loss carryforwards amounting to € 6.86 million (previous year: € 4.12 million) and other deferred tax assets and liabilities amounting to € 2.18 million (previous year: € 29 thousand).

**Other provisions** are as follows:

	Stand 01.01.2023 KEUR	Access Merger 2023 KEUR	Consumption 2023 KEUR	Resolution 2023 KEUR	Feed 2023 KEUR	Stand 31.12.2023 KEUR
<b>Bonuses and royalties</b>	174	98	-293	-18	1.933	1.894
<b>Employer's liability insurance association/ equalization levy</b>	62	-	-56	-6	71	71
<b>Provision for impending losses Restoration obligation from rented premises</b>	34	52	-57	-	-	29
<b>Closing and examination costs</b>	117	7	-	-	51	175
<b>Outstanding invoices</b>	230	4	-221	-1	226	238
<b>Storage of business documents</b>	772	33	-779	-25	4.568	4.570
<b>Outstanding vacation</b>	14	-	-	-	17	30
<b>Pension-like obligations</b>	25	72	-25	-8	-	65
	75	-	-75	-	-	-

	1.502	266	-1.506	-56	6.866	7.071
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The remaining terms of the **liabilities** are as follows:

31.12.2023	Total amount	of which:		
Type of liability		up to 1 year	over 1 year	over 5 years
	T€	T€	T€	T€
<b>Liabilities to banks</b>	<b>29.628</b>	8.154	21.474	-
<i>Previous year</i>	34.473	4.859	29.614	-
<b>Advance payments received on orders</b>	<b>50</b>	50	-	-
<i>Previous year</i>	78	78	-	-
<b>Trade accounts payables</b>	<b>1.738</b>	1.738	-	-
<i>Previous year</i>	723	723	-	-
<b>Liabilities to affiliated companies</b>	<b>4.024</b>	4.024	-	-
<i>Previous year</i>	6.188	6.188	-	-
<b>Other liabilities</b>	<b>1.292</b>	1.292	-	-
<i>Previous year</i>	1.681	1.681	-	-
<b>- thereof from taxes</b>	<b>1.109</b>	1.109	-	-
<i>Previous year</i>	603	603	-	-
<b>- of which in the context of social security</b>				
<i>Previous year</i>	1	1	-	-
<b>Total</b>	<b>36.732</b>	<b>15.258</b>	<b>21.474</b>	-
<i>Previous year</i>	43.143	13.529	29.614	-

**Liabilities to banks** include € 26.67 million (previous year € 30.00 million) from the loan for the purchase of Business Keeper GmbH. The loan has a term until 28.10.2027. The shares in EQS GROUP AG, Switzerland, EQS Group A/S, Denmark and Business Keeper GmbH<sup>1</sup> were pledged as collateral for this loan. There is a further loan from a past acquisition and credit card liabilities, which are reported under liabilities to banks.

**Liabilities to affiliated companies** in the amount of € 4.02 million (previous year: € 6.19 million) result from trade payables in the amount of € 3.24 million (previous year: € 3.30 million) and other liabilities in the amount of € 786 thousand (previous year: € 2.89 million). Trade payables to affiliated companies mainly result from development services provided by EQS Webtechnologies Pty. and service relationships with EQS GROUP AG, Switzerland and EQS Group A/S (Denmark). In the previous year, other liabilities resulted from liabilities to Business Keeper GmbH, which were reversed as a result of the merger.

**Other liabilities** in the amount of € 1.29 million (previous year: € 1.68 million) mainly include liabilities from other taxes and duties in the amount of € 1.11 million (previous year: € 603 thousand) as well as liabilities on credit.

<sup>1</sup> Business Keeper GmbH merged with EQS Group AG as of April 01, 2023.

debtors in the amount of € 145 thousand (previous year: € 104 thousand). The liability from the subsequent purchase price was paid in 2023. For this reason, other liabilities have decreased.

**Deferred tax liabilities** of € 5.99 million (previous year: € 3.80 million) were recognized from temporary differences on internally generated intangible fixed assets in the amount of € 3.77 million and from mergers in the amount of € 2.22 million.

Development of deferred tax liabilities:

<b>Deferred tax liabilities As at 01/01/2023</b>	<b>3.800 T€</b>
change	2.187 T€
<b>As of 12/31/2023</b>	<b>5.987 T€</b>

## 1.5 *Notes to the income statement*

### Revenue

Revenue of € 53.75 million (previous year: € 39.58 million) is divided between the Compliance division with 32.87 million (previous year: € 20.86 million) and Investor Relations with € 12.96 million (previous year: € 12.30 million). € 22.60 million (previous year: € 12.29 million) of sales are period-related and € 22.60 million (previous year: € 20.88 million) are time-related. In Germany, € 36.08 million (previous year: € 22.59 million) and abroad € 17.67 million (previous year: € 16.99 million).

### Own cost capitalized

The total amount of research and development costs in the financial year amounted to € 6.85 million (previous year: € 5.54 million). Of this amount, € 1.97 million (previous year: € 2.26 million) was capitalized under internally generated intangible assets.

### Other operating income

Other operating income includes income from the reversal of impairment losses in the amount of the repayment amount of the loan to EQS Asia Limited, Hong Kong, which was fully written off in 2019, in the amount of € 373 thousand (previous year: € 152 thousand), income from the reversal of provisions in the amount of € 40 thousand (previous year: € 115 thousand) and income from currency translation in the amount of € 226 thousand (previous year: € 83 thousand).

### Other operating expenses

Other operating expenses include foreign currency losses of € 88 thousand (previous year: € 166 thousand), losses on receivables and specific valuation allowances of € 329 thousand (previous year: € 134 thousand), remuneration for members of the Supervisory Board of € 295 thousand (previous year: € 291 thousand) and services not relating to the accounting period of € 254 thousand (previous year: € 137 thousand), mainly due to costs that were not recognized as provisions in the previous year. This also includes the settlement of the old employee participation plans of the subsidiaries.

## Depreciation and amortization

Amortization of intangible assets and depreciation of fixed assets include extraordinary amortization of internally generated intangible assets amounting to € 453 thousand.

Furthermore, write-downs on current assets in the amount of € 1.29 million from the waiver of receivables from EQS Group SAS in France are recognized.

## Income from investments

Income from investments relates to a profit distribution from the subsidiary EquityStory RS LLC, Moscow, in the amount of € 100 thousand (previous year: € 235 thousand), which was sold in January 2024.

## Taxes on income and earnings

Due to the negative result in 2022 and 2023, there are no actual tax expenses. Deferred tax income of € 3.11 million (previous year: € 2.50 million) and deferred tax expenses of € 765 thousand (previous year: € 399 thousand) were recognized in profit or loss.

# 1.6 Other information

## Other financial obligations

EQS Group AG has granted loans to affiliated companies. Based on the loan agreements, there are still binding outstanding commitments for loans not yet utilized in the amount of € 15.45 million as at the balance sheet date. The loans represent a liquidity aid for the development of the borrowers' business operations. Based on the current development of the affiliated companies, the Management Board assumes that the subsidiaries in Italy, France, Spain and the USA will continue to have liquidity requirements.

EQS Group AG has concluded rental agreements for office space. As at December 31, 2023, there were other financial obligations totaling € 1.66 million (previous year: € 2.67 million).

There are pension obligations from provident fund commitments in accordance with Section 285 No. 3a HGB. The total obligation over the term of the contract amounts to € 2.73 million in accordance with the current premium level (previous year: € 2.90 million).

## Number of employees

The average number of employees during the year was as follows:

Employees	2023	2022
Production	217	175
Administration	48	36
Distribution	58	42
<b>Total</b>	<b>323</b>	<b>253</b>

## 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 amounted to € 1.85 million in the 2023 financial year (previous year: € 1.85 million), of which € 0 thousand was variable (previous year: € 0 thousand). Of the total remuneration, € 201 thousand (previous year: € 199 thousand) is attributable to insurance.

There is a loan receivable from the Executive 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, but is to be repaid in the short term following the publication of the takeover bid by Thoma Bravo. Interest of 7.9% p.a. was charged on the loan. The repayment amount in the financial year was € 35 thousand and will be 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, Büdelsdorf (Supervisory Board)
- EUROKAI GmbH & Co. KGaA, Hamburg (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)

The members of the Supervisory Board will receive remuneration totaling € 295 thousand (previous year: € 291 thousand) for their activities in the 2023 financial year.

## Group affiliation

As the parent company, EQS Group AG prepares consolidated financial statements (for the largest and at the same time smallest group of companies) in accordance with IFRS. These consolidated financial statements are published

in the company register.

### **Auditor's fee**

Fee expenses for the auditor totaling € 280 thousand (previous year: € 268 thousand) were recorded in the 2023 financial year. Of this amount, € 190 thousand (previous year: € 211 thousand) is attributable to auditing services for 2023. In addition, expenses of € 90 thousand were recognized in the 2023 financial year for auditing services in the previous year.

### **Derivative financial instruments not recognized at fair value:**

EQS Group AG uses an interest rate cap for a long-term loan with a nominal amount of € 7 million to hedge against an increase in the interest rate. As at December 31, 2023, the derivative had a market value of EUR 95 thousand and a carrying amount of EUR 8 thousand. The interest rate limit of the interest rate cap is 0.00%. The term of the derivative corresponds to the term of the loan until 31.12.2025. The premium is capitalized under other assets and amortized over the term.

EQS Group AG uses a further interest rate cap for a second loan with a nominal amount of € 30 million to hedge against an increase in the interest rate. As at December 31, 2023, the derivative had a market value of € 223 thousand and a carrying amount of € 339 thousand. The interest rate limit is 3%. The term of the derivative corresponds to the term of the loan until 31.10.2027. The premium is capitalized under other assets and amortized over the term.

### **Guarantee contracts:**

There is a subordination agreement for the loan granted in the amount of CHF 9.50 million to financially secure the going concern of the Swiss subsidiary. Due to the company's high profitability, it is not expected to be utilized in the 2023 financial year.

### **Significant events after the reporting date:**

On November 16, 2023, EQS Group AG signed an investor agreement with Pineapple German Bidco for the acquisition of 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. In the following, the Shares of the Management Board members will be transferred in accordance with the offer (in full except for Achim Weick) and the loans to the Management Board members will be 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., 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. On February 6, 2024, the Frankfurt Stock Exchange announced that the inclusion of the company's shares in the over-the-counter 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 in return for 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.

Munich, 27.03.2024



Achim  
(Chairman of the Management Board)



WeickChristian Pflieger  
(Board of Directors)



Marcus  
(Management Board)



SultzerAndré Silvério Marques  
(Board of Directors)



# Statement of changes in fixed assets

for the financial year from 01.01.-31.12.2023 (Appendix 1 to the Notes)

	Acquisition and production costs amounts					Accumulated depreciation				Carrying		
	01.01. ups	2023 Additions	Merger	Disposals	31.12.2023	01.01.2023	Additions	Disposals	Write- gen	31.12.2023	31.12.2023	31.12.2022
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>I. Intangible assets</b>												
1. Internally-created industrial property rights and similar rights and assets	15.083.714,13	1.973.032,57	0,00	0,00	17.056.746,70	-4.146.646,66	-1.481.551,35	0,00	0,00	-5.628.198,01	11.428.548,69	10.937.067,47
2. Concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets	6.348.063,42	4.708,34	7.002.514,77	-50.999,47	13.304.287,06	-4.434.934,52	-1.036.402,79	50.579,58	0,00	-5.420.757,73	7.883.529,33	1.913.128,90
3. Goodwill	5.129.509,81	0,00	88.830.426,66	0,00	93.959.936,47	-1.025.901,18	-7.175.232,56	0,00	0,00	-8.201.133,74	85.758.802,73	4.103.608,63
	<u>26.561.287,36</u>	<u>1.977.740,91</u>	<u>95.832.941,43</u>	<u>-50.999,47</u>	<u>124.320.970,23</u>	<u>-9.607.482,36</u>	<u>-9.693.186,70</u>	<u>50.579,58</u>	<u>0,00</u>	<u>-19.250.089,48</u>	<u>105.070.880,75</u>	<u>16.953.805,00</u>
<b>II. Tangible Assets</b>												
Other equipment, operating and office equipment	3.939.192,08	348.329,84	131.240,42	-248.935,47	4.169.826,87	-3.116.140,78	-350.530,74	235.902,71	0,00	-3.230.768,81	939.058,06	823.051,30
<b>III Financial assets</b>												
1. Shares in affiliated companies	120.665.819,83	5.986.223,71	0,00	-97.415.034,48	29.237.009,06	-3.552.462,88	0,00	0,00	0,00	-3.552.462,88	25.684.546,18	117.113.356,95
2. Loans to affiliated companies	20.022.293,76	868.562,51	0,00	-9.848.345,08	11.042.511,19	-3.110.832,12	0,00	0,00	373.322,83	-2.737.509,29	8.305.001,90	16.911.461,64
3. Shareholdings	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
4. Other loans	943.380,54	86.930,16	0,00	-209.441,88	820.868,82	0,00	0,00	0,00	0,00	0,00	820.868,82	943.380,54
	<u>141.631.494,13</u>	<u>6.941.716,38</u>	<u>0,00</u>	<u>-107.472.821,44</u>	<u>41.100.389,07</u>	<u>-6.663.295,00</u>	<u>0,00</u>	<u>0,00</u>	<u>373.322,83</u>	<u>-6.289.972,17</u>	<u>34.810.416,90</u>	<u>134.968.199,13</u>
	<b><u>172.131.973,57</u></b>	<b><u>9.267.787,13</u></b>	<b><u>95.964.181,85</u></b>	<b><u>-107.772.756,38</u></b>	<b><u>169.591.186,17</u></b>	<b><u>-19.386.918,14</u></b>	<b><u>-10.043.717,44</u></b>	<b><u>286.482,29</u></b>	<b><u>373.322,83</u></b>	<b><u>-28.770.830,46</u></b>	<b><u>140.820.355,71</u></b>	<b><u>152.745.055,43</u></b>

# List of shareholdings

as of 12/31/2023 (Appendix 2 to the notes)

Name and registered office of the company	Currency	Amount of the share	Course	Date of initial investment	Equity Country election 31.12.2023	Country election result 2023
in thousands		31.12.2023	in %			
EQS Financial Markets & Media GmbH (in liquidation), Munich*, **	EUR	-	100,00%	24.09.2007	393.314	0
EquityStory RS LLC, Moscow, Russia**	RUB	79,6242	100,00%	03.12.2008	11.867.407	-9.081.353
EQS GROUP AG, Zurich, Switzerland**	CHF	0,9847	100,00%	09.11.2012	2.705.531	1.601.702
EQS Asia Ltd, Hong Kong**	HKD	8,3163	100,00%	17.12.2012	13.184.314	-2.519.945
EQS TodayIR Ltd, Hong Kong**	HKD	8,3163	indirectly via EQS Asia Ltd.	24.04.2014	-6.071.026	384.052
EQS Group (Shenzhen) Ltd, China**	CNY	7,3582	indirectly via EQS TodayIR Ltd.	24.04.2014	6.970.227	746.789
TodayIR (Taiwan) Holdings Limited, Hong Kong**	HKD	8,3163	indirectly via EQS Asia Ltd.	24.04.2014	3.915.730	480.582
EQS Digital IR Pte. Ltd, Singapore**	SGD	1,43	indirectly via EQS Asia Ltd.	24.04.2014	945.688	-33.770
EQS Web Technologies Pvt. Ltd, Kochi, India**	INR	88,171	100,00%	19.06.2014	151.849.464	28.955.878
EQS Group Ltd, London, Great Britain**	GBP	0,88693	100,00%	17.12.2015	-1.183.085	47.324
EQS Group Inc., New York, USA**	USD	1,0666	100,00%	22.12.2015	-305.226	-75.985
EQS GROUP SAS, Paris, France**	EUR	-	100,00%	17.07.2017	-2.630.098	1.013.564
EQS Group A/S, Copenhagen, Denmark**	DKK	7,4365	100,00%	11.01.2021	13.079.375	8.423.808
EQS Group S.r.l., Milan, Italy**	EUR	-	100,00%	23.02.2021	0	-68.266
EQS Group doo, Belgrade, Serbia**	RSD	117,6744	100,00%	10.05.2021	8.691.063	1.220.198
EQS Group GmbH, Vienna, Austria**	EUR	-	100,00%	03.07.2021	211.218	183.464

\* Profit and loss transfer agreement

\*\* Values were taken from the companies' IFRS reporting packages as at 31.12.2023 (HB II).  
1/2024

