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Market Logic Software AG

Berlin

Annual financial statements for the business year from 01/01/2017 to 12/31/2017

Balance sheet as of December 31, 2017

assets

	December 31, 2017 EUR	December 31, 2016 EUR
A. Fixed assets		
I. Purchased software	32,723	54,534
II. Factory and office equipment	284,688	157.751
III. Shares in affiliated companies	5,543	5,543
	322,954	217,828
B. Current Assets		
I. Receivables and other assets	1,617,492	1,572,083
II. Cash in hand, credit balances with credit institutions	17,297,952	848.903
	18,915,443	2,420,986
C. Prepaid expenses	136,757	44,858
D. Shortfall not covered by equity. Balance sheet loss, if not covered by equity	0	2,171,320
	19.375.155	4,854,992

liabilities

	December 31, 2017 EUR	December 31, 2016 EUR
A. Equity		
I. Share capital	244,884	200.013
II. Capital reserve	47,751,560	19,885,322
III. Balance sheet loss (previous year if covered by equity)	-33,973,299	-20,085,335
- Balance sheet loss total EUR 33,973,299 (previous year EUR 22,256,655) -		
- of which not covered by equity EUR 0.00 (previous year EUR 2,171,320) - cf. Item D.		
Assets	14,023,145	0
B. Provisions	3,262,731	2,883,987
C. Liabilities		
1. Liabilities to banks	35,375	176.873
2. Trade accounts payable	630,594	192.084
3. Other Liabilities	308.621	725.411
- of which from taxes EUR 259,970 (previous year EUR 195,153) -		
	974.589	1,094,368
D. Prepaid expenses	1,114,690	876,637

December 31, 2017	December 31, 2016
EUR	EUR
19.375.155	4,854,992

Appendix for the 2017 financial year

A. General information

Market Logic Software AG, based in Berlin (Market Logic Software), is a small corporation within the meaning of Section 267 (1) HGB. It is entered in the commercial register of the Berlin Charlottenburg District Court under the number HR B 151121.

The purpose of the company is to develop and sell business software for marketing information systems.

The annual financial statements as of December 31, 2017 of Market Logic Software were prepared in accordance with §§ 242 ff. And §§ 264 ff. HGB as well as the Accounting Directive Implementation Act BilRUG and the provisions of the Commercial Code (HGB) and the Stock Corporation Act (AktG).

The relief provisions of Sections 266 Paragraphs 1, 3, 274a and 288 HGB for small corporations have been used in part. The cost of sales method in accordance with Section 275 (3) HGB is used for the income statement.

B. Accounting and valuation principles

1. Principle of going concern

The annual financial statements were prepared under the assumption of the going concern principle.

As of December 31, 2017, the company reported a balance sheet loss of EUR 33,973 thousand and equity of EUR 14,023 thousand due to the continued, scheduled business expansion.

In 2017, a financing round totaling around EUR 27,911 thousand was completed. Taking into account the completion of this financing round, the financial resources available are sufficient from today's perspective in accordance with the company's planning to secure the continued existence of the company without further injection of equity and financial resources.

In its corporate planning, the Management Board assumes that sales will continue to rise from the 2018 financial year and that positive annual results (before interest and taxes) will be achieved from mid-2019.

2. Accounting and valuation methods

The following accounting and valuation methods are essentially decisive:

The company's assets and debts have been valued individually taking into account the principle of prudence and assuming that the company will continue as a going concern. Foreseeable risks and losses were taken into account when preparing the balance sheet.

Internally generated intangible fixed assets are not recognized.

The intangible assets and the tangible assets are valued at the acquisition costs plus incidental acquisition costs and minus acquisition price reductions. Depreciation is carried out on a pro rata temporis basis over the normal useful life.

Low-value moveable, wear-and-tear and independently usable assets with acquisition costs of up to EUR 150.00 are fully depreciated in the year of acquisition. For movable, wear-and-tear and independently usable assets with acquisition costs of more than EUR 150.00 and up to EUR 1,000.00, a collective item was created in accordance with Section 6 (2a) of the Income Tax Act, which is depreciated over five years. Overall, the item is of minor importance.

The financial assets relate to the subsidiary Market Logic Inc., Dover, Delaware / USA, which was founded in the 2014 financial year. The shares are valued at acquisition cost. Unscheduled depreciation is carried out in the event of a permanent decrease in value.

Receivables and other assets are stated at their nominal value and, as in the previous year, all have a remaining term of up to one year. Value adjustments of EUR 11 thousand were made. Receivables in foreign currency are shown at the mean spot exchange rate on the balance sheet date.

The liquid funds are stated at their nominal value.

For payments made by the company up to the balance sheet date, which relate to services for a certain time after the balance sheet date, prepaid expenses were recognized.

The share capital is valued at nominal value.

Identifiable risks have been taken into account when measuring the provisions. They were valued with the necessary fulfillment amount based on a reasonable commercial assessment. Long-term provisions were discounted in accordance with Section 253 (2) sentence 1 of the HGB.

Liabilities are shown at the settlement amount.

With increasing license income, there will be a change in the balance sheet reporting of the fees received from sales transactions, which represent income for a certain time after the balance sheet date, as deferred income in the 2017 financial year. The previous year's figure was not adjusted.

C. Notes to the balance sheet

1. Fixed assets

The development of the fixed assets as well as the information on the depreciation per item of the balance sheet are shown in the asset bending room as an appendix to the notes.

List of shareholdings according to § 285 No. 11 HGB (shares in affiliated companies):

	Equity	Participation	Result 2017	Investment book value
	KEUR	%	KEUR	KEUR
Market Logic Inc., Dover, Delaware / USA	272	100%	100	6th

2. Current Assets

Receivables and other assets include trade accounts receivable from third parties in the amount of EUR 598 thousand (1st previous year: EUR 636 thousand) with a remaining term of up to one year (previous year: up to one year).

There are receivables from affiliated companies in the amount of EUR 852 thousand (previous year: EUR 888 thousand) and result from license fees and the passing on of costs incurred.

The other assets in the amount of EUR 168 thousand (previous year: EUR 47 thousand) mainly contain tax refund claims and deposits.

Bank balances include blocked amounts on bank balances of EUR 457 thousand due to credit guarantees concluded in the financial year.

3. Equity

Share capital

On December 31, 2017, the share capital consisted of 244,884 no-par value bearer shares. It is divided as follows:

	December 31, 2017
	EUR
Common stock	55,677
Series A preference shares	4,451
Series B preferred shares	10,229
Series O preference shares	8,656
Series D preferred shares	11,248
E series preferred shares	15,401
Series F preferred shares	17,536
Series G preferred shares	9,755
Preferred shares series H	14,633
Preferred shares series f	11,766
Series J preferred shares	44,871
Series J-2 preferred stock	40,661
	244,884

In accordance with the resolution of the Annual General Meeting on June 12, 2017 and a participation agreement concluded on May 16, 2017, the company's share capital was increased by EUR 44,871 to EUR 244,884 through the issue of 44,871 Series J preferred shares. The capital increase was entered in the commercial register on July 14, 2017.

The Annual General Meeting on June 12, 2017 also resolved to convert (i) 3,143 common shares into 3,143 series J-2 preferred shares, (ii) 20,060 series A preferred shares into 20,060 series J-2 preferred shares, (iii) 9,382 series B preferred shares into 9,382 Series J-2 Preferred Shares and (iv) 8,076 Series C Preferred Shares in 8,076 Series J-2 Preferred Shares. The corresponding amendment to the articles of association was entered in the commercial register on July 14, 2017.

In accordance with the resolution of the Annual General Meeting on February 2, 2018, the company's share capital was increased by EUR 2,989 to EUR 247,873 by issuing 2,989 series J preferred shares as part of a compensatory capital increase in accordance with Section 7.2 of the participation agreement concluded on May 16, 2017. The capital increase in the commercial register took place on March 2, 2018.

Conditional capital

The Annual General Meeting on January 30, 2007 resolved to implement an employee participation program (2007 stock option program). In this context, the Management Board was authorized, with the approval of the Supervisory Board, to issue up to 6,975 subscription rights once or several times to future Management Board members and current or future employees as well as to members of the management bodies and employees of future affiliated companies. On the same day, the Annual General Meeting resolved to conditionally increase the company's share capital by up to EUR 6,975.00 by issuing up to 6,975 registered, restricted, no-par value shares (Conditional Capital 2007 / I). The conditional capital increase serves to redeem subscription rights, the issue of which the Management Board was authorized by the Annual General Meeting on January 30, 2007. The stock option program was closed by resolution of the Annual General Meeting on June 10, 2013. At the general meeting on the same day, a resolution was passed to reduce the conditional capital from EUR 6,975 to EUR 6,093 (conditional capital 2007 / I).

The Annual General Meeting on June 10, 2013 resolved to implement a new employee participation program (Stock Option Program 2013). In this context, the Management Board was authorized, with the approval of the Supervisory Board, to issue up to 7,656 subscription rights once or several times to current and future members of the Management Board and current and future employees of Market Logic Software AG by December 31, 2017. On the same day, the general meeting resolved to conditionally increase the company's share capital by up to EUR 7,656 by issuing up to 7,656 registered, restricted, no-par value shares (conditional capital 2013/1). With resolutions of the Annual General Meeting on June 8, 2016 and June 22, 2016 In July 2016, the authorization to issue subscription rights and the Conditional Capital 201311 were expanded to up to EUR 13,907. The stock option program was closed by resolution of the Annual General Meeting on February 2, 2018. At the Annual General Meeting on the same day, a resolution was passed to reduce the Conditional Capital from EUR 13,907 to EUR 12,859 (Conditional Capital 20134 The conditional capital increase serves to redeem subscription rights that (i) based on the authorization resolution of the Annual General Meeting of June 10, 2013 under Item 5 No. IV., (ii) based on the authorization resolution of the General Meeting of June 10, 2013 on Item 5 Item IV. In the

version of the resolution of the General Meeting of July 2016 to item 2, item A., (iii) based on the authorization resolution of the general meeting of 10 June 2013 to item 5 number IV. In the version of the resolutions of the general meeting of 22 July 2016 to item 2, item A. and B. and (iv) based on the authorization resolution of the General Meeting of June 10, 2013 on Item 5 Item IV. in the version of the resolutions of the General Meeting of February 2, 2018 on Item 2, Item II. issued. and (iv) on the basis of the authorization resolution of the General Meeting of June 10, 2013 on Item 5 Item IV. in the version of the resolutions of the General Meeting of February 2, 2018 on Item 2, Item II. issued. and (iv) on the basis of the authorization resolution of the General Meeting of June 10, 2013 on Item 5 Item IV. in the version of the resolutions of the General Meeting of February 2, 2018 on Item 2, Item II. issued.

Capital reserve

The capital reserve increased by EUR 27,866 thousand compared to the previous year. The increase results from payments made by the shareholders as part of the financing round concluded in the financial year in accordance with Section 272 (2) No. 4 of the German Commercial Code.

Stock options

The Annual General Meeting on January 30, 2007 resolved to implement an employee participation program (2007 stock option program). In this context, the Management Board was authorized to issue up to 6,975 subscription rights once or several times to future members of the Management Board and current or future employees as well as to members of the management bodies and employees of future affiliated companies.

As part of the 2007 stock option program, a total of 6,821 options were issued to employees by December 31, 2015, of which 1,144 options have expired. Of the options that had not expired, the vesting period for 5,677 options had expired as of December 31, 2017. The options can be exercised within a period of ten years after they have been issued, unless the exercise period is extended by three years before the exercise period expires.

The 2007 stock option program was closed by resolution of the general meeting on June 10, 2013; In the 2013 to 2017 financial years, no more options were issued under the 2007 stock option program.

The Annual General Meeting on June 10, 2013 resolved to implement an employee participation program (Stock Option Program 2013). In this context, the Management Board was authorized to issue up to 7,656 subscription rights to members of the Management Board and employees of the company once or several times. With resolutions of the Annual General Meeting on June 8, 2016 and July 22, 2016, the authorization to issue subscription rights was expanded.

As part of the 2013 stock option program, a total of 8,865 options were issued to employees by December 31, 2017 (of which 650 were issued in the financial year), 564 of which have now expired, and 4,558 options to members of the Management Board. The 2013 stock option program was closed by resolution of the Annual General Meeting on February 2, 2018; In the 2018 financial year, 2,102 options were issued to a Management Board member due to the individual regulation after other Management Board members waived a total of 1,402 options and one employee waived 700 options; otherwise, no more options were issued.

Virtual stocks

The Annual General Meeting on February 2, 2018 resolved to implement a further employee participation program based on virtual shares, so-called phantom stocks (2017 phantom stock program). In this context, the management board was authorized to issue up to 17,237 phantom stocks to members of the management board and employees of the company as well as to managing directors and employees of Market Logic Software Inc. on one or more occasions by December 31, 2022. A backing of the 2017 phantom stock program with conditional capital is currently not possible due to stock corporation law.

The Phantom Stock Program 2017 provides for a delivery of one common share per phantom stock if the phantom stocks are exercised and only in the event of an IPO. only provided that the Management Board and the Supervisory Board come to the conclusion that the delivery of ordinary shares is legally and actually possible.

As part of the 2017 Phantom Stock Program, 9,826 phantom stocks have been distributed to employees of. Company and Market Logic Software Inc. and issued 584 phantom stocks to directors.

4. Provisions

The other provisions mainly include personnel provisions (EUR 3,084 thousand; previous year: EUR 2,490 thousand), outstanding supervisory and advisory board remuneration (EUR 90 thousand; previous year: EUR 107 thousand) and provisions for outstanding invoices (EUR 85 thousand; previous year: EUR 90 thousand)).

5. Liabilities

Loans to banks only include liabilities to Investitionsbank Berlin from promotional loans granted. The liabilities of EUR 35 thousand (previous year: EUR 177 thousand) have a remaining term of up to one year.

As in the previous year, all other liabilities have a remaining term of up to one year.

D. Notes on the income statement

E. Other information

Employee

The company had an average of 308 employees in the 2017 financial year (previous year: 158).

7.3 Organs of the parent company

Board

- Dr. Kay Iversen, engineer, Berlin
- Olaf Lenzmann, engineer, Recklinghausen
- Dr. Haiko van Lengen, management consultant, Wennigsen

Supervisory board

- Robert Koog, independent management consultant, Leinfelden-Echterdingen
- Dr. Matthias Georg Allgaier, Managing Director, London, United Kingdom
- Dr. Thomas van Aubel, lawyer and partner in the law firm VAN AUBEL & Partner, Berlin
- Dr. Max Odefey, Managing Director at GENUI GmbH, Hamburg
- Alexander Kafka, investment manager, Berlin
- Arno Bohn, self-employed businessman, Freiburg
- Dr. Dinnies Johannes von der Osten, Managing Director at GoodVent Beteiligungsmanagement GmbH & Co. KG, Berlin
- Dr. Bernd-Michael Rumpf, software entrepreneur, Steckborn, Switzerland

Scientific Advisory Board

- Prof. Dr. Dr. hc mult. Heribert Meffert, Münster
- Prof. Dr, Hans-Willi Schroiff, Düsseldorf
- Prof. Dr. Manfred Kirchgeorg, Leipzig

F. Events after the balance sheet date

With regard to special events of importance after the end of the financial year, we refer to our comments on equity in Section 3. No other events of particular importance occurred.

Berlin, April 20, 2018**Dr. Kay Iversen****Board****Olaf Lenzmann****Board****Dr. Haiko van Lengen****Board****Development of fixed assets in the 2017 financial year**

	01/01/2017 EUR	Acquisition costs / production costs		December 31, 2017 EUR
		Accesses Euro	Departures EUR	
I. Intangible Assets				
Purchased software	95,655	0	0	95,655
II. Tangible assets				
Factory and office equipment	380,488	242,623	0	623.111
III. Financial assets				
Shares in affiliated companies	5,543	0	0	5,543
	481,686	242,623	0	724.309
			Depreciation	
	01/01/2017 EUR	Accesses EUR	Departures EUR	December 31, 2017 EUR
I. Intangible Assets				
Purchased software	41,121	21,811	0	62,932
II. Tangible assets				
Factory and office equipment	222,738	115,685	0	338.423
III. Financial assets				
Shares in affiliated companies	0	0	0	0
	263,859	137,496	0	401.355
			Book values	
		December 31, 2017 EUR	December 31, 2016 EUR	
I. Intangible Assets				
Purchased software			32,723	54,534
II. Tangible assets				

	Book values	
	December 31, 2017	December 31, 2016
	EUR	EUR
Factory and office equipment	284,688	157.751
III. Financial assets		
Shares in affiliated companies	5,543	5,543
	322,954	217,828
