FINANCIAL INFORMATION

The following English-language consolidated financial statements of Boxine GmbH as of and for the fiscal year ended December 31, 2019 (F-89-F-102) and the English-language consolidated financial statements of Boxine GmbH as of and for the fiscal year ended December 31, 2018 (F-103-F-116), are translations of the respective German-language audited consolidated financial statements and the respective German-language audited financial statements.

Audited condensed consolidated interim financial statements of 468 SPAC I SE prepared in accordance with IFRS on interim financial reporting (IAS) as of June 30, 2021 and for the period from March 29, 2021 to June 30, 2021

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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Shareholders of
468 SPAC I SE
R.C.S. Luxembourg B252939
9, rue de Bitbourg
L-1273 LUXEMBOURG

Report on the audit of the interim consolidated financial statements

Opinion

We have audited the interim consolidated financial statements of **468 SPAC I SE** and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 30 June 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period from 29 March 2021 (date of registration) to 30 June 2021, and the notes to the interim consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2021, and of its interim consolidated financial performance and its interim consolidated cash flows for the period from 29 March 2021 (date of registration) to 30 June 2021 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "*réviseur d'entreprises agréé*" for the audit of the interim consolidated financial statements » section of our report. We are also independent from the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the interim consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion..

Mazars Luxembourg – Cabinet de révision agréé

Société Anonyme – RCS Luxembourg B 159962 – TVA intracommunautaire : LU24665334

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the interim consolidated financial statements of the current period. These matters were addressed in the context of the audit of the interim consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting treatment of financial instruments

Description of the Key Audit Matter	**Our audit response**
As described in Note 9 to the interim consolidated financial statements as at 30 June 2021 and for the period then ended, the Group holds financial instruments in the form of Class A shares, Class A warrants and Class B warrants, respectively in the amount of €295.5 million, €9.9 million and €8.3 million, totaling up €313.6 million out of €315.1 million of total liabilities. The classification of these financial instruments as equity instruments or financial liabilities in the financial statements is technically complex, as it is not directly derived from their legal form. Rather, classification follows strict principles governed by IAS 32 "Financial Instruments: Presentation" which defines the characteristics of an equity instrument and those of a financial liability. For financial instruments that do not meet the definition of an equity instrument per IAS 32, the classification and measurement further needs to comply with the principles of IFRS 9 "Financial Instruments". On the other hand, the valuation of the warrants is highly subjective. These financial instruments are measured at fair value through profit or loss and their fair value is determined based on valuation models, due to the fact that Class A warrants have quoted price but there are no observable transactions while Class B warrants have no quoted price. The consideration of this matter as significant to the audit was based on its materiality to the interim consolidated financial statements and the fact that inappropriate classification of these financial instruments and/or the inappropriateness of the valuation techniques and assumptions used in the valuation models may materially impact the interim consolidated financial statements.	Understanding of the internal control over the process of classification and measurement of financial instruments. Use of internal financial instrument specialists in our team to assess the compliance of the classification and measurement of the Class A shares, Class A warrants and Class B warrants with prevailing IFRS, particularly IAS 32 "Financial Instruments: Presentation", IFRS 9 "Financial Instruments" and IFRS 13 "Fair Value Measurement". Use of internal valuation specialists in our team to assess the reasonableness of the valuation techniques applied and assumptions used in the valuation models. The audit procedures carried out include: (i) obtain valuation report from the external service provider used by the Group, (ii) analyse the underlying data used in the valuation models, (iii) recalculate the fair value of the financial instruments and (iv) investigate any significant deviation. Carry out substantive audit procedures with regards to the computation of the amortized cost of the Class A shares as well as testing of all financial instruments' movements and trace them to the legal documentation. Ensure compliance of the relevant disclosures in the interim consolidated financial statements (i.e. Notes 2 and 9) with the requirement of the International Financial Reporting Standards.

Other information

The Management Board is responsible for the other information. The other information comprises the information stated in the Interim Management Report and the Responsibility Statement by the Management Board but does not include the interim consolidated financial statements and our report of the "*réviseur d'entreprises agréé*" thereon.

Our opinion on the interim consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the interim consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the interim consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Management Board and those charged with governance for the interim consolidated financial statements

The Management Board is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Group's financial reporting process.

Responsibilities of the "*Réviseur d'Entreprises Agréé*" for the audit of the interim consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the interim consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "*Réviseur d'Entreprises Agréé*" that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the interim consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Management Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "*Réviseur d'Entreprises Agréé*" to the related disclosures in the interim consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "*Réviseur d'Entreprises Agréé*". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim consolidated financial statements, including the disclosures, and whether the interim consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the interim consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the interim consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report.

Report on Other Legal and Regulatory Requirements

We have been appointed as "*réviseur d'entreprises agréé*" by the General Meeting of the Shareholders on 21 April 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year.

The interim management report is consistent with the interim consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that no prohibited non-audit services referred to in the EU Regulation N°537/2014 were provided and that we remained independent of the Group in conducting the audit.

Luxembourg, 24 September 2021

For MAZARS LUXEMBOURG, Cabinet de révision agréé
5, rue Guillaume J. Kroll
L-1882 LUXEMBOURG

Fabien Delante
Réviseur d'entreprises agréé

468 SPAC I SE

Interim consolidated statement of comprehensive income for the period ended 30 June 2021

	Note	Period from 29 March to 30 June 2021 EUR
Revenue		—
Other operating expenses	6	(1,378,017)
Operating loss		**(1,378,017)**
Finance costs	9.2,10	(1,586,950)
Fair value loss on Class A warrants	9.3	(9,800,000)
Fair value gain on Class B warrants	9.4	1,344,000
Loss before income tax		**(11,420,967)**
Income tax	7	—
Loss for the period		**(11,420,967)**
Other comprehensive income		**—**
Total comprehensive income/(loss) for the period, net of tax		**(11,420,967)**
Profit/(loss) for the period attributable to:		
Equity holders of the parent		(11,420,967)
Non-controlling interests		—
		(11,420,967)
Total comprehensive income/(loss) attributable to:		
Equity holders of the parent		(11,420,967)
Non-controlling interests		—
		(11,420,967)
Earnings/(loss) per share attributable to equity holders of the parent:	8	
Net earnings per share		(1.52)
Diluted earnings per share		(1.52)

The accompanying notes form an integral part of these interim consolidated financial statements.

Interim consolidated statement of financial position as at 30 June 2021

ASSETS	Note	30 June 2021 EUR
Non-current assets		
Cash in escrow	10	301,254,588
Current assets		
Cash and cash equivalents	11	3,630,479
Total assets		**304,885,067**
EQUITY AND LIABILITIES		
Equity	**12**	
Share capital		120,000
Share premium		817,600
Accumulated deficit		(11,420,967)
Warrant reserve		262,400
Total equity attributable to owners of the parent		**(10,220,967)**
Non-controlling interests		—
Total equity		**(10,220,967)**
Non-current liabilities		
Redeemable Class A shares	9.2	295,454,966
Class A warrants at fair value	9.3	9,900,000
Class B warrants at fair value	9.4	8,256,000
		313,610,966
Current liabilities		
Trade and other payables	13	1,336,123
Directors' fees payable		129,450
Bank overdraft		29,495
		1,495,068
Total liabilities		**315,106,034**
Total equity and liabilities		**304,885,067**

The accompanying notes form an integral part of these interim consolidated financial statements.

Interim consolidated statement of changes in equity for the period ended 30 June 2021

	Note	Share capital EUR	Share premium EUR	Accumulated deficit EUR	Warrant reserve EUR	Total equity attributable to parent EUR	Non-controlling interest EUR	Total equity EUR
Issuance of Class B shares	12	120,000	—	—	—	120,000	—	120,000
Capital contribution without issuance of shares	12		1,080,000	—	—	1,080,000	—	1,080,000
Allocation to Warrant reserve	12	—	(262,400)	—	262,400	—	—	—
Profit/(loss) for the period		—	—	(11,420,967)	—	(11,420,967)	—	(11,420,967)
Balance, 30 June 2021		**120,000**	**817,600**	**(11,420,967)**	**262,400**	**(10,220,967)**	**—**	**(10,220,967)**

The accompanying notes form an integral part of these interim consolidated financial statements.

Interim consolidated statement of cash flows for the period ended 30 June 2021

	Note	Period from 29 March to 30 June 2021 EUR
Cash flows from operating activities		
Loss before income tax		(11,420,967)
Adjustment non cash items:		
Finance cost	9.2,10	1,586,950
Fair value loss on Class A warrants	9.3	9,800,000
Fair value gain on Class B warrants	9.4	(1,344,000)
Changes in working capital:		
Increase in trade and other payables		1,495,068
Interest paid		(95,412)
Net cash flows from operating activities		**(21,639)**
Cash flows from financing activities		
Proceeds from issuance of Class B shares	12	1,200,000
Proceeds from issuance of Class B warrants	9.4	9,600,000
Proceeds from issuance of Class A shares and warrants, net of Private Placement costs	9.2	294,063,428
Net cash flows from financing activities		**304,863,428**
Net increase in cash and cash equivalents		304,885,067
Restricted cash (Cash in Escrow)	10	(301,254,588)
Cash and cash equivalents, beginning		—
Cash and cash equivalents at end of period		**3,630,479**

The accompanying notes form an integral part of these interim consolidated financial statements.

Notes to the interim consolidated financial statements for the period ended 30 June 2021

1. GENERAL INFORMATION

468 SPAC I SE (the "Company" or "Parent") was incorporated on 18 March 2021 (date of incorporation as per the deed of incorporation agreed between shareholders in front of the notary) in Luxembourg as a European company (*Société Européenne* or "SE") based on the laws of the Grand Duchy of Luxembourg ("Luxembourg"). The Company is registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*, in abbreviated "RCS") under the number B252939 since 29 March 2021.

The registered office of the Company is located at 9, rue de Bitbourg, L-1273 Luxembourg.

The Company's governing bodies are the Management Board, the Supervisory Board and the shareholders' meeting. The Company is managed by its Management Board under the supervision and control of the Supervisory Board. This two-tier governance structure was resolved by an extraordinary shareholders' meeting of the Company held on 9 April 2021. The Management Board is composed of Alexander Kudlich (Chief Executive Officer), Ludwig Ensthaler (Chief Investment Officer), Florian Leibert (Chief Technology Officer) and Daniel Bley (Chief Administration Officer) (the "Management Board"). The Supervisory Board members appointed consists of Gisbert Ruhl, Lea-Sophie Cramer, Johannes Maret and Florian Wendelstadt (the "Supervisory Board").

The founder of the Company, 468 SPAC Sponsors GmbH & Co. KG, (the "Sponsor"), is an affiliate of Alexander Kudlich, Ludwig Ensthaler and Florian Leibert, the founders of the investment fund 468 Capital GmbH & Co. KG. The Supervisory Board, directly or through their affiliates, as well as Fabian Zilker (together, as "Co-Sponsors") have also provided funds to the Company.

Unlike other forms of companies, a Société Européenne only exists from the date of publication of its statutes with the RCS. Accordingly, the interim consolidated financial statements of 468 SPAC I SE and its subsidiaries (collectively the "Group") were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union for the period from 29 March 2021 (date of registration of the Company with the RCS) to 30 June 2021 and were authorised for issue in accordance with a resolution of the Management Board on 24 September 2021. Any act performed and any transaction carried out by the Company between the date of incorporation and the date of registration is considered to emanate from the Company and is therefore included in the interim consolidated financial statements.

The Company has been established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area, the United Kingdom or Switzerland by way of a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction (the "Business Combination"). The Company will not conduct operations or generate operating revenue unless and until the Company consummates the Business Combination.

The Company will focus on consummating a Business Combination in the technology and technology-enabled sector, with a focus on the sub-sectors marketplaces, direct-to-consumer (D2C), and software & artificial intelligence. The Company has 24 months from the date of the admission to trading to consummate a Business Combination, plus an additional three months if it signs a legally binding agreement with a target within those initial 24 months. Otherwise, the Company will be liquidated and distribute all of its assets to its shareholders (other than the Sponsor and the Co-Sponsors). Any Business Combination will require approval of a majority of the votes cast at the general shareholders' meeting of the Company.

The Company has 30,000,000 redeemable Class A shares issued and outstanding as at 30 June 2021 which are traded on the regulated market of Frankfurt Stock Exchange under the symbol "SPAC" since 30 April 2021. Likewise, the Company's 10,000,000 Class A warrants are also traded on the open market of the Frankfurt Stock Exchange under the symbol "SPAW".

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

The Company's financial year starts on 1 January and ends on 31 December of each year, with the exception of the first financial year which starts on 29 March 2021 (date of registration with the RCS) and ends on 31 December 2021.

The Interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and on a going concern basis (See Note 3).

The interim consolidated financial statements have been prepared in Euros (EUR), which is the Group's presentation currency, and have been prepared under the historical cost convention, except for financial instruments that are measured at fair value.

2.2. Basis of consolidation

The interim consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2021.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is the presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the interim consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3. Summary of significant accounting policies

International accounting standards include IFRS, IAS (International Accounting Standards) and their interpretations (Standing Interpretations Committee) and IFRICs (International Financial Reporting Interpretations Committee).

The repository adopted by the European Commission is available on the following internet site: http://ec.europa.eu/finance/accounting/ias/index_en.htm

a) New standards, amendments and interpretations that were issued but not yet applicable in as at 30 June 2021 and that are most relevant to the Group

- **Reference to the Conceptual Framework — Amendments to IFRS 3:** In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations — Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

  The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

  At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

- **Amendments to IAS 1 — not yet endorsed by the EU:** Classification of Liabilities as Current or Non-current. In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

- **Amendments to IAS 1 and IFRS Practice Statement 2 — not yet endorsed by the EU:** Disclosure of Accounting policies. In February 2021, the IASB issued amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2023.

- **Amendments to IAS 8 — not yet endorsed by the EU:** Definition of Accounting Estimate. In February 2021, the IASB issued amendments to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after 1 January 2023.

- **Amendments to IAS 37:** Onerous Contracts — Cost of Fulfilling a Contract. The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

- **Annual improvements to IFRS Standards 2018-2020:** The annual improvements to IFRS consists of amendments to IFRS 1, IFRS 9, IFRS 16, and IAS 41. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

The initial application of these standards, interpretations and amendments to existing standards is planned for the period of time from when its application becomes compulsory. Currently, the Management Board anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial information of theGroup.

b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of comprehensive income in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in the consolidated statement of comprehensive income.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

c) Foreign currencies

These interim consolidated financial statements are presented in EUR, which is the parent's and subsidiaries functional currency and presentation currency.

Transactions denominated in currencies other than the EUR are recorded at the exchange rate at the transaction date.

d) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date i.e. the date that the Group commits to purchase or sell the asset.

Financial assets: The Group classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, transaction costs.

Financial assets measured at amortised cost: This is the category most relevant to the Group. A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit and loss when the asset is derecognised, modified or impaired.

The Group includes in this category cash and cash equivalents and cash in escrow.

Financial liabilities: The financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

The Group's financial liabilities include trade and other payables, interest-bearing loans and borrowings, redeemable class A shares, and class A and B warrants.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities measured at amortised cost: This is the category most relevant to the Group. After initial recognition, trade and other payables, interest-bearing loans and borrowings, and redeemable class A shares are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of comprehensive income.

Financial liabilities through profit or loss: Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Derecognition: A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Impairment of financial assets: The Group has chosen to apply an approach similar to the simplified approach for expected credit losses ("ECL") under IFRS 9 to its financial assets. Therefore the Group recognises a loss allowance based on lifetime ECLs at each reporting date. The Group's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

e) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. The carrying amounts of these approximate their fair value.

For the purpose of the interim consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

f) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the interim consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

g) Provisions

Provisions are recognised 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 embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

h) Taxes

Income tax recognized in the consolidated statement of comprehensive income includes current and deferred taxes.

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the interim consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax assets are tested for impairment on the basis of a tax planning derived from management business plans.

Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

i) Share-based payments

The Management Board is currently assessing whether certain Class B shares and warrants issued to the Sponsor of the Company are to be considered as falling in the scope of IFRS 2. The Management Board will notably base its position based on market discussions and/or positions adopted by market players, supervisory authorities and/or standard setters.

In any case, the Founder shares and Founder warrants do not carry a specified service period, but would be forfeited or otherwise expire worthless if a business combination is not consummated. Therefore, the Founders only derive the value from the Founder shares and Founder warrants when they are converted into Class A shares upon a successful business combination. Consequently, the grant date of these awards does not occur until the target is approved. As of 30 June 2021, irrespective of the conclusions of the ongoing assessment carried out by the Management Board, no amounts would have had to be accounted for provided that no such approval has occurred.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in as part of other operating expenses in the consolidated statement of comprehensive income, together with a corresponding increase in equity, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of comprehensive income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the recipient of the share-based payment. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these interim consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results and outcomes may differ from management's estimates and assumptions due to risks and uncertainties, including uncertainty in the current economic environment due to the ongoing outbreak of a novel strain of the coronavirus ("COVID-19").

In December 2019, a COVID-19 outbreak was reported in China, and, in March 2020, the World Health Organization declared it a pandemic. Since being initially reported in China, the coronavirus has spread to over 150 countries. Given the ongoing and dynamic nature of the COVID-19 crisis, it is difficult to predict the impact on the business of potential targets. The extent of such impact will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others. The ongoing COVID-19 pandemic, the increased market volatility and the potential unavailability of third-party financing caused by the COVID-19 pandemic as well as restrictions on travel and in-person meetings, which may hinder the due diligence process and negotiations, may also delay and/or adversely affect the Business Combination or make it more costly.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

As at 30 June 2021, the significant areas of estimates, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in these interim consolidated financial statements are:

- Going concern: Despite the EUR 10,220,967 negative equity of the Group as at 30 June 2021, the Management Board decided to prepare these interim consolidated financial statements on a going concern basis given that part of the Class B warrants amounting to EUR 7,095,000, which are currently presented as a non-current liability, will not be required to be paid in cash. These Class B warrants have no redemption rights or liquidation distribution rights and will expire worthless in case of liquidation.

  In addition, the Management Board underlying assumption to prepare the interim consolidated financial statements is based on the anticipated successful completion of the Business Combination (See Notes 16 and 17).

- Deferred tax asset: A deferred tax asset in respect of the tax losses incurred has not been recognised as the Management Board estimates uncertainty in terms of future taxable profit against which the Group can utilise the benefits therefrom (See Note 7).

- Classification of Redeemable Class A shares: Judgment on the classification of Redeemable Class A shares. The Management Board assessed the classification of redeemable Class A shares in accordance with IAS 32 under which the redeemable class A shares do not meet the criteria for equity treatment and must be recorded as liabilities. The class A shares features certain redemption rights that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. Accordingly, the Company classifies the Redeemable Class A shares as financial liabilities at amortised cost in accordance with IFRS 9. The transaction costs directly attributable to issuance of the redeemable class A shares which are subscribed via private placement ("Private Placement") are deducted against the initial fair value.
- Classification and measurement of Warrants: The Management Board assessed the classification of warrants in accordance with IAS 32 under which the warrants do not meet the criteria for equity treatment and must be recorded as derivatives. Accordingly, the Company classifies the Class A warrants and Class B warrants as liabilities at their fair value and adjust them to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in the consolidated statement of comprehensive income. The fair value of Class A warrants is determined based on its quoted market price or independently valued using Monte Carlo valuation model for periods when there are no observable trades, as of each relevant date. Likewise, the redeemable class B warrants which are not listed to the stock exchange are also independently valued using the Black-Scholes Option Pricing model to determine its fair value.
    - Class B warrants as share-based payments: The Management Board is currently assessing whether certain Class B shares and warrants issued to the Sponsor of the Company are to be considered as falling in the scope of IFRS 2. The Management Board will notably base its position based on market discussions and/or positions adopted by market players, supervisory authorities and/or standard setters.

      In any case, the Founder shares and Founder warrants do not carry a specified service period, but would be forfeited or otherwise expire worthless if a business combination is not consummated. Therefore, the Founders only derive the value from the Founder shares and Founder warrants when they are converted into Class A shares upon a successful business combination. Consequently, the grant date of these awards does not occur until the target is approved. As of 30 June 2021, irrespective of the conclusions of the ongoing assessment carried out by the Management Board, no amounts would have had to be accounted for provided that no such approval has occurred.

4. GROUP INFORMATION

Subsidiaries

The Group has been newly established on 29 March 2021. The wholly-owned subsidiaries of the Group as at 30 June 2021 are 468 SPAC I Advisors Verwaltungs-GmbH ("468 SPAC I GmbH") and 468 SPAC I Advisors GmbH & Co. KG ("468 SPAC I KG"). 468 SPAC I KG is a German limited partnership managed by 468 SPAC I GmbH as its general partner.

The interim consolidated financial statements of the Group include the Company, 468 SPAC I GmbH and 468 SPAC I KG.

The parent company

As at 31 March 2021, the immediate and ultimate parent company of the Company is 468 SPAC Sponsors GmbH & Co KG based in Germany with a shareholding of 100%, an affiliate of Alexander Kudlich, Ludwig Ensthaler and Florian Leibert.

On 16 April 2021, 468 SPAC Sponsors GmbH & Co KG transferred 13.5% of its holdings to the Co-Sponsors (See Note 12).

Since admission to trading in the regulated market of the Frankfurt Stock Exchange, the Group does not have an ultimate parent company.

Segment information

The Group is currently organised as one reportable segment. The Group has been deemed to form one reportable segment as the Parent and its subsidiaries have been established together for the purpose of acquiring one operating business i.e. the Business Combination (See Note 1).

5. ACQUISITION OF SUBSIDIARIES

The Company acquired 468 SPAC I GmbH and 468 SPAC I KG for an amount of EUR 30,500 which included cash balances of EUR 25,500 (thereof EUR 25,000 from 468 SPAC I GmbH and EUR 500 from 468 SPAC I KG) and acquisition related costs of EUR 5,000. The acquisition related costs have been recognized in the interim consolidated statement of comprehensive income.

The acquired companies are companies with no business. Consequently, the acquisition has been accounted as acquisitions of assets that do not constitute a business combination.

The purchase price for the acquisition was paid on 30 March 2021 by the Sponsor on behalf of the Company as a drawdown under the shareholder loan (See Note 9.1).

6. OTHER EXPENSES

6.1. Other operating expenses

The other operating expenses of EUR 1,378,017 incurred mainly include legal and notarial fees, tax, audit, accounting and consulting services, CSSF fees, insurance and bank charges. This also includes EUR 177,500 of Directors' fees and EUR 5,000 costs linked to the acquisition of 468 SPAC I GmbH and 468 SPAC I KG.

The Company did not have any employees during the financial period ended 30 June 2021.

7. INCOME TAXES

The reconciliation between actual and theoretical tax expense is as follows:

	30 June 2021 EUR
Loss for the period before tax	(11,420,967)
Theoretical tax charges, applying the tax rate of 24.94%	(2,848,389)
Tax effect of adjustments from local GAAP to IFRS[1]	1,012,647
Unrecognized deferred tax assets	1,835,742
Income tax	—

The tax rate used in reconciliation above is the Luxembourgish tax rate (24.94%) as the Company is domiciled in Luxembourg. Deferred tax assets have not been recognised in respect of the loss incurred during the period ended 30 June 2021 because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. Unused tax losses of the Company can be used within a period of 17 years as per Luxembourg tax law.

8. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share ("EPS") is calculated by dividing the profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit/(loss) attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

[1] Income taxes payable to / recoverable from the tax authorities are determined based on the financial results of 468 SPAC I SE and its subsidiaries as shown in their stand-alone financial statements prepared in local GAAP. Hence adjustments from local GAAP to IFRS may lead to higher / lower taxable result in the consolidated financial statements as compared to that determined based on the stand-alone financial statements.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	30 June 2021
Loss attributable to ordinary equity holders of the parent	(EUR 11,420,967)
Weighted average number of ordinary shares for EPS	7,500,000
Basic and diluted EPS	(EUR 1.52)

	30 June 2021
Number of potential ordinary shares which are antidilutive	
Redeemable Class A shares	30,000,000
Share warrants (Class A and B)	16,400,000
Total	46,400,000

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

9. FINANCIAL LIABILITIES

9.1 Financial liabilities: Interest-bearing loans and borrowings (Loan payable to Sponsor)

The Company as borrower concluded a loan agreement with its shareholder as lender with effect on 30 March 2021 ("shareholder loan"). It was agreed for the loan to be utilized for the purpose of financing third party costs and other working capital requirements until the intended Private Placement. A loan amount of up to EUR 1,100,000 has been granted to the Company. The loan bears annual interest of 2% and was intended to mature one year after the end of the earlier of (i) 30 months following the Private Placement or (ii) three months after completion of the Business Combination.

On 30 March 2021, an amount of EUR 30,500 of the loan has been considered drawn by the Company under the shareholder loan following the payment made by the Sponsor for the acquisition of the subsidiaries (See Note 5). An amount of EUR 3 has been accrued for unpaid interest on the drawn amount as at 31 March 2021.

On 15 April 2021, the Company made an additional drawdown on the loan amounting to EUR 15,000.

On 16 April 2021, the Sponsor agreed to set off the loan balance of EUR 45,500 against the subscription price of the 5,500,000 Class B warrants (See Note 9.4). Consequently, the loan agreement was terminated and any interest accrued on the loan was waived by the Sponsor.

9.2 Financial liabilities: Redeemable Class A shares

On 29 April 2021, the Company has issued 30,000,000 redeemable class A shares (the "Class A shares") with a par value of EUR 0.016, with International Securities Identification number ("ISIN") LU2333563281. Holders of Class A common stock are entitled to one vote per share. On the issue date, the Class A shares is measured at amortised cost valued at EUR 293,963,428 net of transaction costs amounting to EUR 5,936,572.

Transaction costs are incremental costs that are directly attributable to the issuance of the Class A shares and its subsequent listing on the Frankfurt Stock Exchange were deducted from its initial fair value. The transaction costs includes Listing Fees (See Note 16), legal fees, audit fees, accounting and administration fees, agency fees and CSSF fees.

As at 30 June 2021, the amortised cost of the Class A shares amounts to EUR 295,454,966 after amortisation of EUR 1,491,538 calculated using the EIR method. The amortisation is presented as part of finance cost in the consolidated statement of comprehensive income. The fair value of Redeemable Class A shares is EUR 294,600,000 based on its quoted price (level 2) as at 30 June 2021.

Class A Shareholders may request redemption of all or a portion of their Class A shares in connection with the Business Combination, subject to the conditions and procedures set forth in the Articles of Association. Class A shares will only be redeemed under the following conditions, (i) the Business Combination is approved by the general meeting of shareholders and subsequently consummated, (ii) a holder of Class A shares notifies the Company of its request to be redeemed a portion or all of its Class A shares in writing by completing a form approved by the Management Board for this purpose that will be included with the convening notice for the general meeting of shareholders and such notification is received by the Company not earlier than the publication of the notice convening the general meeting of shareholders for the approval of the Business Combination and not later than two business days prior to the date of the general meeting of shareholders convened for the purpose of approving the Business Combination, and (iii) the holder of Class A shares transfers its Class A shares to a trust depositary account specified by the Company in the notice convening the general meeting of shareholders.

Each Class A share that is redeemed shall be redeemed in cash for a price equal to the aggregate amount on deposit in the escrow account related to the proceeds from the Private Placement of the Class A shares and warrants, divided by the number of the then outstanding Class A shares, subject to (i) the availability of sufficient amounts on the escrow account and (ii) sufficient distributable profits and reserves of the Company.

Because the Class A shares are redeemable under certain conditions, the Management Board concluded that the Class A shares do not meet the definition of an equity instrument as per IAS 32. Hence, the Class A shares are considered as debt instruments (See Note 3).

9.3 Financial liabilities: Class A warrants

On 29 April 2021, the Company had issued 10,000,000 class A warrants (the "Class A warrants") together with the Class A shares (together, as "Unit") for an aggregate price of EUR 10 per Unit, each unit comprising one Class A share and one third of a Class A Warrant. The nominal subscription price per Class A warrant was EUR 0.01. Hence total proceeds in relation to the issue of the Class A warrants amount to EUR 100,000. Class A warrants has ISIN code of LU2333564099. Each Class A warrants entitles its holder to subscribe for one Class A share, with a stated exercise price of EUR 11.50, subject to customary anti-dilution adjustments. Holders of Class A warrants can exercise the warrants on a cashless basis unless the Company elects to require exercise against payment in cash of the exercise price.

On the issue date, the fair value of Class A warrants was estimated at EUR 9,100,000 (EUR 0.91 per warrant) using Monte Carlo valuation model, resulting in the recognition of a day-one loss of EUR 9,000,000.

As at 30 June 2021, the fair value of Class A warrants was estimated at EUR 9,900,000 (EUR 0.99 per warrant) using Monte Carlo valuation model (level 3), resulting in the recognition of fair value loss of EUR 800,000 for the period from issue date to closing date and a total fair value loss of EUR 9,800,000 for the period from 29 March 2021 to 30 June 2021. The significant inputs to the valuation model include the contractual terms of the warrants (i.e. exercise price, maturity), risk-free rates of German government bonds and volatility of the warrants by reference to traded warrants issued by similar listed special purpose acquisition companies.

Class A warrants may only be exercised for a whole number of Class A shares. Class A warrants will become exercisable 30 days after the completion of a Business Combination. Class A warrants expire five years from the date of the consummation of the Business Combination, or earlier upon redemption or liquidation. The Company may redeem Class A warrants upon at least 30 days' notice at a redemption price of EUR 0.01 per Class A warrant if (i) the closing price of its Class A shares for any 20 out of the 30 consecutive trading days following the consummation of the Business Combination equals or exceeds EUR 18.00 or (ii) the closing price of its Class A shares for any 20 out of the 30 consecutive trading days following the consummation of the Business Combination equals or exceeds EUR 10.00 but is below EUR 18.00, adjusted for adjustments as described in the section of redemption of warrants in the prospectus. Holders of Class A warrants may exercise them after the redemption notice is given.

9.4 Financial liabilities: Class B warrants

On 16 April 2021, the Sponsor and Co-Sponsors have subscribed for an aggregate of 5,500,000 class B warrants at a price of EUR 1.5 per warrant (the "Sponsor Capital At Risk") and the aggregate price of EUR 8,250,000. The Sponsor agreed to set off EUR 45,500 of the shareholder loan (See Note 9.1) against the subscription price of the Class B warrants. The proceeds from the class B warrants is used to finance the Company's working capital requirements, Private Placement and listing expenses (except for fixed deferred listing commission which shall be paid from the escrow account), and due diligence cost in connection with the Business Combination.

On the same date, the Sponsor and Co-Sponsors have additionally subscribed for 900,000 class B warrants (together with the 5,500,000 class B warrants representing the Sponsor Capital At Risk, the “Class B Warrants”), at a price of EUR 1,5 per warrant and for an aggregate price of EUR 1,350,000 (the “Additional Sponsor Subscription”). The proceeds from this Additional Sponsor Subscription is used to cover the negative interest, if any on the cash held in escrow (See Note 10). For any excess portion of the Additional Sponsor Subscription remaining after the consummation of the Business Combination and any redemption of Class A shares, the Sponsor and Co-Sponsors may:

i) elect to either request repayment of the remaining cash portion under the Additional Sponsor Subscription by redemption of the corresponding number of class B warrants subscribed for under the Additional Sponsor Subscription; or

ii) not to request repayment of the remaining cash portion of the Additional Sponsor Subscription and to keep the class B warrants subscribed under the Additional Sponsor Subscription.

Class B warrants are identical to the Class A warrants underlying the Units sold in the Private Placement, except that the Class B warrants are not redeemable and may always be exercised on a cashless basis while held by the Sponsor and the Co-Sponsors or their Permitted Transferees (defined in the prospectus). Class B warrants are not part of the Private Placement and are not listed on a stock exchange.

On the issue date, the fair value of Class B warrants was estimated at EUR 8,448,000 (EUR 1.32 per warrant) using Black-Scholes option pricing model, resulting in the recognition of a day-one gain of EUR 1,152,000.

As at 30 June 2021, the fair value of the 6,400,000 Class B warrants was estimated at EUR 8,256,000 (EUR 1.29 per warrant) using Black-Scholes option pricing model (level 3), resulting in the recognition of fair value gain of EUR 192,000 for the period from the issue date to closing date and a total fair value gain of EUR 1,344,000 for the period from 29 March 2021 to 30 June 2021. The significant inputs to the valuation model include the contractual terms of the warrants (i.e. exercise price, maturity), risk-free rates of German government bonds and volatility of the warrants by reference to Germany TECDAX index.

10. CASH IN ESCROW

Cash in escrow of EUR 301,254,588 consists of the gross proceeds from the Private Placement and Additional Sponsor Subscription. The cash held in escrow from the gross proceeds on the Private Placement is set aside to pay the following, in case of a Business Combination: i) payment of Class A shares for which the redemption right was exercised, net of any interest and taxes, ii) fixed deferred listing commission and discretionary deferred listing commission, and iii) any remainder values will be returned to the Company (See Note 16). The cash held in escrow from the Additional Sponsor subscription is used to cover the negative interest on the escrow (See Note 9.4).

If the Company does not consummate a Business Combination, the amounts standing on the escrow will be returned to the Company, and after deduction of the unused portion, if any, of the proceeds from the Additional Sponsor Subscription, at first priority distributed to the holders of Class A shares.

The fair value of cash in escrow approximate its carrying value as at 30 June 2021. As at 30 June 2021, the negative interest on the cash in escrow amounts to EUR 95,412 presented as finance cost in the consolidated statement of comprehensive income.

11. CASH AND CASH EQUIVALENTS

The amount of cash and cash equivalents was EUR 3,630,479 as at 30 June 2021.

The fair value of cash and cash equivalents approximate its carrying value as at 30 June 2021.

12. ISSUED CAPITAL AND RESERVES

Share capital – Convertible class B shares

As at 31 March 2021, the subscribed share capital amounts to EUR 120,000 consisting of 12,000,000 class B shares without nominal value.

On 15 April 2021, following the extraordinary general meeting of shareholder, the Company converted the 12,000,000 class B shares into 7,500,000 Class B Shares.

On 16 April 2021, the Sponsor sold a total of 1,013,000 Class B Shares to the Co-Sponsors, namely Chepstow Capital GmbH, Pink Capital GmbH , Maret II GmbH, Florian Wendelstadt and Fabian Zilker. As at 30 June 2021, Class B shares has a par value of EUR 0.016.

Subject to the completion of a Business Combination, all Class B Shares are automatically converted into Class A shares at a ratio of one Class A share for one Class B Share following the day of expiration of the Sponsor Lock-up (as defined below) (the "Promote Conversion").

The Sponsor and the Co-Sponsors have committed not to transfer, assign, pledge or sell any of the Class B Shares and Class B warrants other than to Permitted Transferees (as defined in the prospectus) until the first anniversary of the Business Combination, or earlier if, at any time, the closing price of the Class A shares for any twenty (20) trading days within a thirty (30) day trading period equals or exceeds twelve euro (EUR 12.00) (the "Sponsor Lock-up").

The Class B shares will only have nominal economic rights (i.e., reimbursement of their par value, at best, in case of liquidation). The class B shares are not part of the Private Placement and are not listed on a stock exchange.

Share premium

On 15 April 2021, the Sponsor contributed an amount of EUR 1,080,000 to the equity of the Company without issuance of shares. These monies will be used to cover the remuneration of the Management Board of the Group as wells as due diligence costs.

On 29 April 2021, the Management Board resolved to allocate EUR 262,400 to the Warrant reserve out of share premium.

Authorised capital

As at 31 March 2021, the authorized capital, excluding the issued share capital, of the Company is set at EUR 1,000,000 consisting of 100,000,000 shares without nominal value.

On 15 April 2021, following the extraordinary general meeting of shareholder, the authorized capital was increased up to EUR 11,943,456 consisting of 746,466,000 class A shares without nominal value. On 29 April 2021, the Company has issued 30,000,000 Class A shares (See Note 9.2).

As at 30 June 2021, the authorized capital, excluding the issued share capital, of the Company is set at EUR 11,463,456 consisting of 716,466,000 shares without nominal value.

Legal reserves

The Company is required to allocate a minimum of 5% of its annual net profit to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

Warrant reserve

Pursuant to Article 30 of the amended Articles of Association, the Management Board shall create a specific reserve in respect of the exercise of any class A warrants or class B warrants issued by the Company (the "Warrant reserve") and allocate and transfer sums contributed to the share premium and/or any other distributable reserve of the Company to such Warrant reserve. The Management Board may, at any time, fully or partially convert amounts contributed to such Warrant reserve as payment for the subscription price of any Class A shares to be issued further to an exercise of class A warrants or class B warrants issued by the Company. Only in case of failure by the Company to secure a Business Combination before the expiry of the imparted time, may the Warrant reserve be used for redemption of Class A Shares, in case where other available reserves are not sufficient. The Warrant reserve is not distributable or convertible prior to the exercise, redemption or expiration of all outstanding class A warrants and class B warrants and may only be used as payment for the Class A Shares issued pursuant to the exercise of such class A warrants and class B warrants; thereupon, the Warrant reserve will be a distributable reserve.

As at 30 June 2021, EUR 262,400 has been allocated to warrant reserve from Share premium.

13. TRADE AND OTHER PAYABLES

Trade and other payables amount to EUR 1,336,123 as at 30 June 2021.

Trade and other payables are related to legal and other services received by the Group. The carrying amounts of these approximate their fair value.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group consists of newly formed companies that have conducted no operations and currently generated no revenue. They do not have any foreign currency transactions. Hence currently the Group does not face foreign currency risks.

Liquidity risks

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Company has completed its Private Placement and listing on the Frankfurt Stock exchange. The proceeds from the Private Placement is deposited in an escrow account. The amount held in the escrow account will only be released in connection with the completion of the Business Combination or the Company's liquidation. As at 30 June 2021, the Management Board believes that the funds available to the Group outside of the secured deposit account are sufficient to pay costs and expenses incurred by the Group prior to the completion of the Business Combination.

Capital management

The Management Board policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. In order to meet the capital management objective described above, the Group has raised funds through a Private Placement reserved to certain qualified investors inside and outside of Germany, and had the Class A shares and class A warrants issued in the context of this Private Placement admitted to listing and trading on the Frankfurt Stock Exchange. The above-mentioned financial instruments issued as part of this Private Placement represent what the entity is managing as capital, although these instruments are considered as debt instruments or financial liabilities from an accounting standpoint.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is currently exposed to credit risk from its financing activities, including deposits with banks and financial institutions. No specific counterparty risk is being assessed as cash and cash equivalents are mostly deposited with a P-1 to P-2 (Moody's) or A2 (S&P's) rated bank.

15. RELATED PARTIES DISCLOSURES

Parties are considered to be related if one party has the ability to control the other or exercise significant influence over the other party in making financial or operational decisions.

Terms and conditions of transactions with related parties

There have been no guarantees provided or received for any related party receivables or payables as at 30 June 2021.

Commitments with related parties

As at 30 June 2021, there have been no commitments with related parties besides those disclosed in Note 16. As at 31 March 2021, the Company had a shareholder loan with the Sponsor (See Note 9.1) which was settled on 16 April 2021.

Transactions with key management personnel

The members of the Management Board and Supervisory Board are entitled to remuneration for their services which amounts to EUR 177,500 as at 30 June 2021 (See Note 6). There are no advances or loans granted to members of the Management Board and Supervisory Board as at 30 June 2021.

16. COMMITMENTS AND CONTINGENCIES

On 16 April 2021, the Company entered into an agreement with its Sponsor and Co-Sponsors, whereby the Sponsor and Co-Sponsors have committed not to transfer, assign, pledge or sell any of the Class B shares and Class B warrants other than to Permitted Transferees in accordance with the Sponsor Lock-up. From the consummation of the Business Combination, the Class A shares received by the Sponsor and Co-Sponsors as a result of conversion of their Class B shares in accordance with the Promote Conversion will become transferrable on the first anniversary of the Business Combination or earlier if, at any time, the closing price of the Class A shares equals or exceeds EUR 12.00 for any 20 trading days within any 30-trading day period. Any Permitted Transferees will be subject to the same restrictions as applicable to the Sponsor and Co-Sponsors with respect to Class B Shares and Class B warrants.

On 16 April 2021, the Company entered into an agreement with its Sponsor and Co-Sponsors, for the subscription of class B warrants (See Note 9.4).

On 27 April 2021, 468 I Advisors KG entered into an agreement with Joh. Berenberg, Gossler & Co. KG ("Berenberg") on which the 468 I Advisors KG appoints Berenberg to open and maintain the escrow account to keep the gross proceeds from the Private Placement, the gross proceeds from the Additional Sponsor Subscription and any interest earned on the proceeds, on behalf of the Group.

On 27 April 2021, the Company entered into an agreement with Berenberg, operating as Manager or Sole Bookrunner for the Private Placement, by virtue of which the Company is liable to pay a listing fee of 1.5% of the adjusted gross proceeds[2] from the Private Placement on the date of the completion of the Private Placement (the "Listing Fee"). In addition, the Company shall pay the Sole Bookrunner an aggregate fee of 2.25% on the adjusted gross proceeds from the Private Placement on the completion of the Business Combination (the "Deferred Listing Fee"). The Company may further award Berenberg an additional discretionary fee of up to 0.5% of the adjusted gross proceeds from the Private Placement, in its absolute and full discretion, payable on the date of the completion of the Business Combination. For the purpose of calculating the gross proceeds on the Private Placement, the Company may deduct the proceeds raised from investors known to the Sponsor and presented to the Sole Bookrunner or from shareholders of the Sponsor.

On 2 June 2021, the Company has entered into a non-binding letter of intent ("LoI") with Boxine GmbH ("Boxine"), an international children's digital media and entertainment business, concerning a business combination between the Company and Boxine.

The LoI includes an agreement to seek a PIPE investment (private investment in public equity) in an amount up to EUR 100 million that the Company and Boxine intend to consummate in parallel to the envisaged business combination.

The business combination would involve the existing shareholders of Boxine transferring 100% of the outstanding equity and equity equivalents of Boxine to the Company in exchange for (i) new shares in the Company and (ii) a consideration in cash. The combined entity will be listed on the Frankfurt Stock Exchange and will have a shareholder base comprised of (i) Boxine's existing shareholders, (ii) the Company's shareholders, and (iii) investors in the PIPE.

The Group has no other commitments and contingencies as at 30 June 2021.

17. EVENTS AFTER THE REPORTING PERIOD

On 30 August 2021, the Company and Boxine entered into a definitive business combination agreement (the "Transaction"). Upon closing of the Transaction, the listed entity is expected to be named Boxine ("Combined Company").

The Transaction is expected to close in the fourth quarter of 2021, and the shares of the Combined Company will be listed on the Frankfurt Stock Exchange. In addition to the approximately EUR 300 million held in the Company's escrow account (not taking into account any potential redemptions in connection with the Transaction), a common stock private investment in public equity ("PIPE") round of EUR 100 million was raised at a price of EUR 10.00 per share from BIT Capital, Baillie Gifford and other leading institutional investors. An

[2] The gross proceeds from the Private Placement were adjusted for the proceeds raised by the Sponsor for an amount equal to EUR 30 million (the "Adjusted gross proceeds")

additional EUR 5 million was raised in the PIPE and will be placed in a blocked account for the time of the lock-up and will only be released if, and to the extent required, the founding shareholder of Boxine is obliged to pay taxes in connection with the Transaction during the term of their lock-up. The share consideration to be received by the founding shareholder of Boxine will be reduced accordingly. The Combined Company will have a shareholder base comprised of (i) the current (indirect) Boxine shareholders, (ii) the Company's shareholders and (iii) the investors in the PIPE.

Boxine develops and distributes Tonies, an innovative audio system for children. Boxine has created a new product category that combines the segments of cloud-connected audio, streaming, gaming and toys. Through its business model and customer-centric, data-driven content creation, Boxine has become a popular D2C brand. The Company and Boxine intend to create a globally recognized and industry defining digital children's media and entertainment company.

The closing of the Transaction is subject to the approval of the Company's shareholders and the satisfaction or waiver of certain other customary closing conditions.

There are no other events or conditions after the reporting period requiring disclosure in or adjustment to the interim consolidated financial statements.

Unaudited condensed consolidated interim financial statements of A. VI Holding GmbH prepared in accordance with IFRS on interim financial reporting (IAS 34) as adopted by the EU as of and for the six months ended June 30, 2021

Condensed Consolidated Statement of Financial Position
IFRS Statement of Financial Position

in kEUR	Notes	30.06.2021	31.12.2020
Assets			
Property, plant and equipment	6	4,836	5,324
Right of use assets		388	464
Intangible assets (excl. Goodwill)	7	124,589	125,504
Goodwill		162,236	162,236
Deferred tax assets		5,529	4,355
Non-current assets		**297,578**	**297,883**
Inventories	9	40,039	23,062
Trade receivables	10	5,797	16,850
Other assets (short term)	10	12,272	3,296
Cash		2,179	9,079
Current assets		**60,287**	**52,287**
Total assets		**357,865**	**350,170**
Equity			
Share capital		100	100
Share Premium		203,201	203,201
Translation Reserves		3	23
Retained earnings		-26,084	-9,870
Profit (Loss)		-14,810	-16,214
Equity attributable to owners of the company		**162,410**	**177,240**
Non-controlling interests		19,448	21,293
Total equity		**181,858**	**198,533**
Liabilities			
Lease liabilities (long term)		327	344
Share-based payment liabilities (long term)	15	6,946	3,471
Deferred tax liabilities		35,908	37,274
Non-current liabilities		**43,181**	**41,089**
Income Tax liabilities		450	807
Loans and borrowings (short term)	11	71,621	57,772
Lease liabilities (short term)		76	133
Trade payables (short term)	12	28,489	24,881
Other liabilities (short term)	12	16,354	13,766
Provisions (short term)		15,836	13,189
Current liabilities		**132,826**	**110,548**
Total liabilities		**176,007**	**151,637**
Total equity and liabilities		**357,865**	**350,170**

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
IFRS Statement of Profit or Loss and Other Comprehensive Income (By nature of expense)

in kEUR	Notes	01.01.2021-30.06.2021	01.01.2020-30.06.2020
Continuing Operations			
Revenue	14	**61,752**	**45,858**
Changes in inventories		17,052	4,049
Cost of materials		-41,223	-23,816
Gross profit		**37,581**	**26,091**
Licensing costs		-12,808	-9,470
Gross profit after Licensing costs		**24,773**	**16,621**
Other income		6	13
Personnel expenses	16	-13,977	-6,010
Other expenses	17	-22,175	-12,039
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**-11,373**	**-1,415**
Depreciation and amortization		-5,887	-5,559
Earnings before interest and taxes (EBIT)		**-17,260**	**-6,974**
Finance income		0	1
Finance costs		-1,935	-1,539
Earnings before tax (EBT)		**-19,195**	**-8,512**
Tax income		2,542	1,372
Profit (loss) for the period		**-16,653**	**-7,140**
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on translation to presentation currency		-23	-30
Total comprehensive income for the period		**-16,676**	**-7,170**
Profit attributable to:			
Owners of the Company		-14,810	-6,364
Non-controlling interests		-1,842	-776
Total comprehensive income attributable to:			
Owners of the Company		-14,830	-6,390
Non-controlling interests		-1,845	-781
Earnings (loss) per share (in kEUR)			
Basic	18	-0.15	-0.06
Diluted	18	-0.15	-0.06

Condensed consolidated Statement of Cash Flows
IFRS statement of cash flow

in kEUR	Notes	01.01.2021-30.06.2021	01.01.2020-30.06.2020
Profit (loss) for the period		**-16,653**	**-7,140**
Depreciation and amortization		5,887	5,559
Interest (income) expenses		1,935	1,538
Income taxes		-2,542	-1,372
EBITDA		**-11,373**	**-1,415**
Decrease (increase) in trade receivables	10	11,053	9,367
Decrease (increase) in inventories	9	-16,977	-5,021
Increase (decrease) in trade payables	12	3,608	338
Decrease (increase) in net working capital		**-2,316**	**4,684**
Decrease (increase) in other assets	10	-10,152	-937
Increase (decrease) in other provisions		2,646	1,580
Increase (decrease) in other liabilities	12	3,532	-2,739
Increase (decrease) in share-based payment liabilities	15	3,474	779
Other non-cash (income) expenses		-151	0
Cash Flow from operating activities		**-14,464**	**1,952**
Purchase of property, plant and equipment	6	-922	-1,217
Acquisition of intangible assets	7	-3,485	-1,855
Cash flow from investing activities		**-4,407**	**-3,072**
Proceeds from issue of share capital by shareholders of the Parent Company		0	10,415
Proceeds from borrowings		12,121	5,289
Repayments of borrowings		0	-10,420
Interest paid		-53	-68
Payment of lease liabilities		-74	-60
Dividends Paid		0	0
Cash flow from financing activities		**11,994**	**5,156**
Net increase in cash		**-6,877**	**4,036**
Change in cash resulting from exchange rate differences		-23	-30
Net cash at the beginning of the period		9,079	6,849
Net cash at the end of the period		2,179	10,855

Condensed consolidated Statement of Changes in Equity

in kEUR	Share capital	Share premium	Translation reserve	Retained earnings	Profit (Loss)	Total	Non controlling interest	Total equity
Balance as of 01.01.2021	**100**	**203,201**	**23**	**-26,084**	**0**	**177,240**	**21,293**	**198,533**
Total comprehensive income								
Profit (loss) for the period					-14,810	-14,810	-1,842	-16,652
Other comprehensive income			-20			-20	-3	-23
Total comprehensive income	**0**	**0**	**-20**	**0**	**-14,810**	**-14,830**	**-1,845**	**-16,675**
Balance as of 30.06.2021	**100**	**203,201**	**3**	**-26,084**	**-14,810**	**162,410**	**19,448**	**181,858**

in kEUR	Share capital	Share premium	Translation reserve	Retained earnings	Profit (Loss)	Total	Non controlling interest	Total equity
Balance as of 01.01.2020	**100**	**193,058**	**-33**	**-9,870**	**0**	**183,255**	**23,271**	**206,526**
Total comprehensive income								
Profit (loss) for the period					-6,364	-6,364	-776	-7,140
Other comprehensive income			-26			-26	-4	-31
Total comprehensive income	**0**	**0**	**-26**	**0**	**-6,364**	**-6,390**	**-780**	**-7,171**
Contributions and distributions								
Contribution to capital reserves		10,415				10,415		10,415
Total contributions and distributions	**0**	**10,415**	**0**	**0**	**0**	**10,415**	**0**	**10,415**
Changes in ownership interest								
Acquisition of NCI without a change in control		-272				-272		-272
Total changes in ownership interest	**0**	**-272**	**0**	**0**	**0**	**-272**	**0**	**-272**
Total transactions with owners of the Company	**0**	**10,143**	**0**	**0**	**0**	**10,143**	**0**	**10,143**
Balance as of 30.06.2020	**100**	**203,201**	**-59**	**-9,870**	**-6,364**	**187,007**	**22,491**	**209,498**

Notes to the Consolidated Financial Statements

1 General information

A. VI Holding GmbH ("A. VI" or "the Company") is incorporated in Germany. The Company is registered in the commercial register at the district court Hamburg under the number HRB 163559. The registered office of the Company is in Schauenburgerstr. 59, 20095 Hamburg, Germany. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as "The Group" or "A. VI").

A. VI, through its subsidiary Boxine GmbH, is the producer of the innovative audio system 'tonies', consisting of a speaker box called toniebox and of various figures marketed under the name tonies, enabling children to listen to stories and music of their choice by placing a tonie atop of the toniebox.

Boxine France, Paris, France was founded in March 2021 with share capital of kEUR 25 outstanding. Boxine GmbH holds all shares in Boxine France.

2 Basis of preparation

2.1 Statement of compliance

These condensed consolidated interim financial statements and notes as at and for the six months ended June 30, 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the A. VI Group's last annual consolidated financial statements as at and for the year ended December 31, 2020 ('last annual financial statements'). These condensed consolidated interim financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the A. VI Group's financial position and performance since the last annual financial statements.

The Group's business model is subject to seasonal fluctuations. Usually, the second half of the calendar year (and in particular the fourth quarter) will lead to higher revenues compared to the first half of the year e.g. due to the Christmas season which is typical for retail businesses.

All amounts have been rounded to the nearest thousand, unless otherwise indicated. As amounts are disclosed in thousands of euros, standard commercial rounding may result in rounding differences. In some cases, such rounded amounts and percentages may not correspond 100% to the stated sums when added together and subtotals in tables may differ slightly from non-rounded figures.

2.2 Financial statements

A. VI consistently applied the same accounting policies and methods of computation as described in the last annual financial statements.

3 Changes in significant accounting policies

Except as described below, the accounting policies applied in these financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended December 31, 2020.

The change in accounting policy will also be reflected in the Group's consolidated financial statements as at and for the year December 31, 2021.

New standards or amendments effective from January 1, 2021 (e.g. the Interest Rate Benchmark Re-form — Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) did not have a material impact on the condensed consolidated interim financial statements of the Group.

4 Use of judgements and estimates

In preparing these condensed consolidated interim financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

5 Operating segments

The Group manages its operations as a single segment for the purposes of assessing performance and making operating decisions. The management board[1], which consists of the two Co-CEOs and the six C-Level managers, represents the CODM, who regularly reviews the operating results and makes decisions about the allocation of the Group's resources. Based on the management view, the primary performance indicator is Adjusted EBITDA as reported to the CODM. It is defined as adjusted earnings before financial result (net), taxes, depreciation and amortization. Adjustments relate to expenses incurred where management believes adjustments should be made due to extraordinary and non-operational character.

The Group generates its revenue solely through its activities as the producer of the innovative audio system 'tonies'. The revenue comprises income from selling the speaker box called toniebox and of various figures marketed under the name tonies. As the Group operates with the same products around the world throughout its whole business, the CODM reviews operating results, makes decisions about resources to be allocated and assesses performance on an entity-wide level. Hence, all of the Group's assets, liabilities as well as the relevant profit measure (Adjusted EBITDA) are thus only allocable to the one segment and monitored accordingly.

For the purpose of internal management control and resource allocation, the Group has performed corporate management and control at the overall entity level for the six months ended June 30, 2021 and the preceding periods based on German GAAP financials. The following tables comprise the reconciliation of information on the reportable segment from management reporting under German GAAP to the amounts under IFRS reported in the financial statements.

01.01.2021 - 30.06.2021	Boxine Group according to management reporting	Reconciliation	A. VI Group according to IFRS
	kEUR	kEUR	kEUR
I. Revenue	**62,844**	**-1,092**	**61,752**
II. Adj. EBITDA	**-6,553**	**1,259**	**-5,294**
EBITDA Adjustments			-6,078
Consolidated EBITDA			**-11,372**
Depreciation/Amortization			-5,887
Finance Income/Expense			-1,935
Consolidated Profit before tax			**-19,193**

01.01.2020 - 30.06.2020	Boxine Group according to management reporting	Reconciliation	A. VI Group according to IFRS
	kEUR	kEUR	kEUR
I. Revenue	**46,696**	**-838**	**45,858**
II. Adj. EBITDA	**632**	**243**	**875**
EBITDA Adjustments			-2,291
Consolidated EBITDA			**-1,416**
Depreciation/Amortization			-5,559
Finance Income/Expense			-1,538
Consolidated Profit before tax			**-8,513**

The reconciliation items related to revenue result from the reclassification of marketing subsidies from operating expenses to reduction of revenue according to IFRS 15.

[1] For clarification: This includes senior management without the managing directors of the A. VI Holding GmbH

The reconciliation items related to EBITDA result from decreased other expenses from leasing contracts under IFRS 16, a reduction of costs of materials due to hedge accounting and decreased other expenses from expected credit losses on trade receivables. In addition to the IFRS adjustments, the reconciliation also includes the effect of holding costs.

With respect to the Group's primary performance indicator, adjusted EBITDA was calculated on the basis of the Group's operating loss as follows:

Adjusted EBITDA	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
	kEUR	kEUR
Loss for the period	**-16,653**	**-7,140**
+ Income tax	-2,542	-1,372
+ Finance cost	1,935	1,539
- Finance income	0	-1
Earnings before interest and taxes (EBIT)	**-17,260**	**-6,974**
+ Depreciation and amortisation	5,887	5,559
EBITDA	**-11,373**	**-1,415**
+ Extraordinary expenses resulting from special projects and one-offs	988	703
+ Extraordinary expenses resulting from own developed software	1,617	808
+ Expenses resulting from share-based payment	3,474	779
Total EBITDA Adjustments	**6,079**	**2,290**
Adjusted EBITDA	**-5,294**	**875**

6 Property, plant and equipment

Property, plant and equipment mainly comprises technical equipment and machinery as well as other operating and office equipment.

During the six months ended June 30, 2021, the Group acquired assets with a cost of kEUR 922 (six months ended June 30, 2020: kEUR 1,217).

The Group did not recognize any impairment loss and did not dispose of any assets in the interim period ended June 30, 2021 and the comparative period.

7 Intangible assets

7.1 Reconciliation of carrying amount and amortization

Intangible assets mainly comprise capitalised purchased technology bundle (different core technologies), acquired brand and acquired customer relationships.

During the six months ended June 30, 2021, the Group acquired intangible assets with a cost of kEUR 3,485 (six months ended 30 June 2020: kEUR 1,855).

The Group did not recognize any impairment loss and did not dispose of any assets in the interim period ended June 30, 2021 and the comparative period.

8 Leases

During the six months ended June 30, 2021, as well as in the comparative period, the Group did not enter into any new lease agreements that would have resulted in the recognition of a right-of-use asset and lease liability.

The Group has estimated that the potential future lease payments, should it exercise an extension option in one of the property leases, would result in an increase in lease liability of kEUR 85.

The Group has entered into a rental contract for new office spaces in 2019. The commencement date of the contract has been postponed from 2020 to the end of 2021. The Group has estimated that the future lease payments would result in a lease liability of kEUR 4,597.

9 Inventories

Inventories can be broken down to the following items as follows:

Inventories	30.06.2021	31.12.2020
	kEUR	kEUR
1. Raw materials	4,558	4,633
2. Work in process	2,262	813
3. Finished goods	33,219	17,616
Total	**40,039**	**23,062**

During the six months ended June 30, 2021, the Group reversed its inventory write down amounting to kEUR 45 (six months ended June 30, 2020: kEUR 640 write down of inventory). The write down resulted from turnover and scrap and was included in cost of material in the condensed consolidated statement of profit or loss and OCI.

As of June 30, 2021, part of the inventory of Boxine GmbH were assigned as collateral for liabilities to banks totaling kEUR 21,519 (31.12.2020: kEUR 9,265).

During the six months ended June 30, 2021, finished goods increased from kEUR 17,616 to kEUR 33,219. This increase is mainly driven by dedicated stock for fast-growing international markets and the seasonal inventory build-up prior to the Christmas season which, for the Group, starts in the third quarter with higher sales to larger resellers.

10 Trade receivables and other assets

Trade receivables and other assets can be broken down as follows:

Trade receivables	30.06.2021	31.12.2020
	kEUR	kEUR
Financial assets		
1. Trade receivables	5,782	16,850
2. Receivables from related parties	15	0
Total	**5,797**	**16,850**

Other assets	30.06.2021	31.12.2020
	kEUR	kEUR
Other financial assets		
1. Deposits	622	713
2. Receivables from payment providers	342	728
3. Receivables from marketplaces	942	799
4. Other receivables financial	36	38
Sum of other financial assets	**1,942**	**2,278**
Other non-financial assets		
1. Deferred expenses and accrued income	2,065	845
2. Receivables resulting from input taxes and VAT	8,205	58
3. Other receivables non-financial	60	115
Sum of other non-financial assets	**10,330**	**1,018**
Total	**12,272**	**3,296**

As of Jun 30, 2021, trade receivables have decreased compared to the financial year end due to high sales at the year end and corresponding high receivables at year end after the Christmas season. These were reversed through payments in the first quarter of 2021. The VAT receivables increase corresponds to the inventories' seasonal build-up together with limited netting of VAT receivables and liabilities during the financial year.

11 Loans and borrowings

Loans and borrowings can be broken down as follows:

Loans and borrowings	30.06.2021	31.12.2020
	kEUR	kEUR
Current liabilities		
1. Secured bank loans	21,519	9,265
2. Unsecured bank loans	5,864	5,487
3. Vendor loans	44,238	43,020
Total Current liabilities	**71,621**	**57,772**

As of June 30, 2021, credit lines have been utilized in a higher amount with no material changes in the total credit lines. The higher utilization is mainly related to the seasonal inventory build-up. As of June 30, 2021, the Group has outstanding credit lines from overdraft facilities from secured and unsecured bank loans amounting to kEUR 4,617 (31.12.2020: kEUR 15,248).

Terms and repayment schedule

Loans and borrowings	Original currency	Matures in	Interest type	Effective interest rate	Nominal value	Carrying amount
30.06.2021				in%	kEUR	kEUR
1. Unsecured bank loans	EUR	n/a[2]	fix[2]	4.50	5,864	5,864
2. Secured bank loans	EUR	n/a[2]	fix[2]	3.75-4.95	21,519	21,519
3. Vendor loans	EUR	30.09.2021	fix	6.00	40,000	44,238
Total					**67,383**	**71,621**

Loans and borrowings	Original currency	Matures in	Interest type	Effective interest rate	Nominal value	Carrying amount
31.12.2020				in%	kEUR	kEUR
1. Unsecured bank loans	EUR	n/a[2]	fix[2]	4.50	5,487	5,487
2. Secured bank loans	EUR	n/a[2]	fix[2]	3.75-4.95	9,265	9,265
3. Vendor loans	EUR	30.09.2021	fix	6.00	40,000	43,020
Total					**54,752**	**57,772**

Loan covenant

A. VI must ensure that it can meet its financial obligations and that the financial covenants from the credit agreements are complied with.

An extension of the credit lines was agreed with the financing banks, as well as a conditional waiver of extraordinary termination on the part of the banks after non-compliance with agreed financial covenants.

12 Trade payables and other liabilities

Trade payables and other liabilities can be broken down as follows:

Trade payables	30.06.2021	31.12.2020
	kEUR	kEUR
Trade payables		
1. Trade payables	24,848	22,272
2. Trade payables due to related parties	0	15
3. Trade accrued expenses	3,641	2,594
Total	**28,489**	**24,881**

[2] Unsecured and secured bank loans, resulting from overdraft facilities, have cancellation periods subject to individual conditions agreed with the corresponding financial institutions (usually of at least two months). Interest rates are generally fix but are reviewed by the banks on a regular basis.

Other liabilities	30.06.2021	31.12.2020
	kEUR	kEUR
Other financial liabilities		
1. Derivatives	21	1.175
2. Liabilities for licenses	7,374	8,057
3. Liabilities for customer bonus	294	928
4. Other liabilities financial	15	14
Sum of other financial liabilities	**7,704**	**10,174**
Other non-financial liabilities		
1. Payroll tax and social security contributions	403	425
2. Liabilities resulting from input taxes and VAT	6,826	2,499
3. Accrued expenses (non-financial)	948	446
4. Other liabilities non-financial	473	222
Sum of other non-financial liabilities	**8,650**	**3,592**
Total	**16,354**	**13,766**

For information on the increase of VAT payables, refer to note 10.

13 Financial instruments and risk management

Accounting classifications and fair values

The following table provides the carrying amounts and fair values of all financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value. The fair values (MTM) are calculated on the basis of stochastic models taking into account the discounted expected future cash flows of the reciprocal payment obligations as of the measurement date.

Financial instruments	Note	Mandatorily at FVTPL - others	Financial assets at amortized costs	Other financial liabilities	Total	Fair value
		kEUR	kEUR	kEUR	kEUR	kEUR
Balance as of 30.06.2021						
1. Trade and other receivables	10		7,739		7,739	n/a
2. Cash		—	2,179		2,179	n/a
Financial assets not measured at fair value		**0**	**9,918**	**0**	**9,918**	**0**
1. Secured bank loans	11			21,519	21,519	n/a
2. Unsecured bank loans	11			5,864	5,864	n/a
3. Vendor loans	11			44,238	44,238	n/a
4. Trade and other payables	12	—		36,172	36,172	n/a
Financial liabilities not measured at fair value		**0**	**0**	**107,793**	**107,793**	**0**
1. Forward exchange contracts used for economic hedging	12	21			21	21
Financial liabilities measured at fair value		**21**	**0**	**0**	**21**	**21**

Financial instruments	Note	Mandatorily at FVTPL - others	Financial assets at amortized costs	Other financial liabilities	Total	Fair value
		kEUR	kEUR	kEUR	kEUR	kEUR
Balance as of 31.12.2020						
1. Trade and other receivables	10		19,128		19,128	n/a
2. Cash			9,079		9,079	n/a
Financial assets not measured at fair value		**0**	**28,207**	**0**	**28,207**	**0**
1. Secured bank loans	11			9,265	9,265	n/a
2. Unsecured bank loans	11			5,487	5,487	n/a
3. Vendor loans	11			43,020	43,020	n/a
4. Trade and other payables	12			33,880	33,880	n/a
Financial liabilities not measured at fair value		**0**	**0**	**91,652**	**91,652**	**0**
1. Forward exchange contracts used for economic hedging	12	1,175			1,175	1,175
Financial liabilities measured at fair value		**1,175**	**0**	**0**	**1,175**	**1,175**

The fair value of forward exchange contracts used for economic hedging (TARF), based on Level 2 of the fair value hierarchy, is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

There were no reclassifications between levels of the fair value measurement hierarchy for all periods.

The Group has exposure to credit risk, liquidity risk and market risk (mainly currency and interest rate risk) arising from financial instruments. These risks remained unchanged and were described in detail in the Group's last annual financial statements.

14 Revenue

The Group's operations and main revenue streams are those described in the last annual financial statements.

The following tables present the revenue from contracts with customers disaggregated by primary geographical market and major products.

Revenue from contracts with customers	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
	kEUR	kEUR
Primary geographical markets		
DACH	56,722	44,629
UK	2,527	1,229
US	2,503	0
Total	**61,752**	**45,858**
Major products		
Starterset	17,027	10,411
Content Tonies	41,180	32,386
Creative Tonies	2,137	1,740
Other (e.g. Accessories and Mytonies)	1,408	1,321
Total	**61,752**	**45,858**

15 Share-based payments

Starting in March 2020 the Group has implemented a share based payment compensation scheme for eligible employees in the form of virtual stock options based on a future potential profit based on an exit price of the business minus the initial investment and transaction cost. The scheme is entirely cash-settled and is intended to improve the long-term employee-retention.

The scheme has a vesting period of 48 to 60 months and cliff periods between 6 and 24 months. It includes a fixed percentage of a potential result or a combined fixed and variable percentage based on defined performance conditions based on quantities sold.

As of June 30, 2021 (December 31, 2020), the scheme involves 18 (14) employees of the C and D-management-level representing 3.7% (2.1%) fixed and up to 0.4% (0.4%) variable of the virtual shares. As of June 30, 2021, no vesting has taken place.

Assumptions used	01.01.2021 - 30.06.2021
Expected average volatility (in %)	35.34
Risk free rate (in %)	-0.59
Expected Duration (in years)	4.30

During the six months ended June 30, 2021, a total of kEUR 3,474 was recognized as personnel expenses for these employees (six months ended June 30, 2020: kEUR 779). The fair value has been calculated using the Black-Scholes model.

16 Personnel expenses

Employee benefits expense include the following items:

Personnel expenses	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
	kEUR	kEUR
1. Wages and salaries	9,082	4.416
2. Social security contributions	1,421	815
3. Cash-settled share-based payments	3,474	779
Total	**13,977**	**6,010**

During the six months ended June 30, 2021, the increase in personnel expenses in comparison to the comparative period amounts to kEUR 7,967. The increase mainly results from additional hiring in order to support further growth as well as the addition of further employees to the share-based payment program. For further information on the effects from share-based payments refer to Note 15.

17 Other expenses

Other expenses include the following:

Other expenses	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
	kEUR	kEUR
1. Logistic costs	6,783	4,537
2. Marketing and sales costs	5,241	2,385
3. Insurance and contributions	3,155	1,397
4. Legal, audit and consulting fees	2,690	1,585
5. IT costs	2,976	993
6. Administration costs	673	743
7. Non-period expenses	77	240
8. Miscellaneous other operating expenses	580	159
Total	**22,175**	**12,039**

During the six months ended June 30, 2021, the increase in other expenses in comparison to the comparative period amounts to kEUR 10,136. The increase in most positions is mainly attributable to the Group's business growth. The increase in IT costs is attributable to revenue dependent cloud-cost and further improvements in the IT services to support the operating business.

18 Earnings per share

The Company is a private limited liability company, which allots interests (shares) of the Company to its shareholders.

Earnings per share (basic) and earnings per share (diluted) are calculated based on the earnings attributable to the A. VI Holding GmbH shareholders.

Dilutive effects did not occur.

The loss attributable to the shareholders of A. VI Holding GmbH (basic and diluted) amount to kEUR 14,810 (2020: kEUR 6,364). The weighted average number of interests in circulation (basic and diluted) amounts to 100,000 (2020: 100,000).

Profit attributable to ordinary shareholders (basic)	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
	kEUR	kEUR
Profit (loss) for the year, attributable to the owners of the Company	-14,810	-6,364
Dividends on non redeemable preference shares	0	0
Profit (loss) attributable to ordinary shareholder	**-14,810**	**-6,364**

Weighted-average number of ordinary shares (basic)	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
	# shares	# shares
Issued ordinary shares at January 1	100,000	100,000
Weighted-average number of ordinary shares at June 30	100,000	100,000

EPS	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
	kEUR	kEUR
Earnings attributable to shareholders in kEUR	-14,810	-6,364
Average number of shares outstanding	100,000	100,000
Basic earnings in kEUR per share	**-0.15**	**-0.06**
Diluted earnings in kEUR per share	-0.15	-0.06

19 Related parties

A. Parent and ultimate controlling party

A. VI is currently not included in any consolidated financial statements at a level of its shareholders.

B. Transactions with key management personnel

Key management personnel compensation

Key management personnel compensation comprised the following.

Key management personnel compensation	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
	kEUR	kEUR
Short-term employee benefits	324	324
Total	**324**	**324**

The aggregate value of transactions and outstanding balances related to key management personnel and entities over which they have control were as follows.

	01.01.2021 - 30.06.2021			01.01.2020 - 30.06.2020		
	Transaction volume			Transaction volume		
Related parties	Interest expenses	Sales of goods and services	Purchases of goods and services	Interest expenses	Sales of goods and services	Purchases of goods and services
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Transactions with Höllenhunde GmbH	54			54		
Transactions with PIXIPOP	—	–	120	—	–	–
Total	**54**	**0**	**120**	**54**	**0**	**0**

Related parties	30.06.2021 Amounts outstanding Receivables	Payables	31.12.2020 Amounts outstanding Receivables	Payables
	kEUR	kEUR	kEUR	kEUR
Transactions with Höllenhunde GmbH		1,973		1,919
Transactions with PIXIPOP	–	141	–	21
Total	**0**	**2,114**	**0**	**1,940**

PIXIPOP Faßbender Kommunikations-Design & Illustration is controlled by Nina Fassbender, the wife of Boxine GmbH Co-CEO Patric Fassbender and involved in the design of the Tonies. Compensation is paid as a fixed amount per item sold.

In addition to these operating transactions, a contractual share purchase option between the purchaser A. VI Holding GmbH and Höllenhunde GmbH, arranged in 2019 in the context of the acquisition of Boxine Group, was exercised resulting in a total payment of kEUR 10,420 to Höllenhunde GmbH in H1/2020.

20 Events after the reporting period

The following subsequent events occurred after June 30, 2021 and could have a significant impact on A. VI future results of operations, financial position, and net assets.

The group has a financing need which is typical for a group that expects an ongoing strong growth over the next years.

On August 30, 2021, a business combination agreement was signed between A. VI and 468 SPAC I SE, Luxembourg, Luxembourg, which is traded on the Frankfurt Stock Exchange, aimed at a merger of A. VI and 468 SPAC I SE. Closing of the transaction is planned for the fourth quarter of 2021. It is intended to provide EUR 170m of primary proceeds (net of transaction costs) to the business of A. VI and its subsidiaries after the merger to invest into international expansion and to repay outstanding debt. As part of the transaction, an amendment of the company’s existing share-based payment compensation scheme in the form of virtual stock options is being implemented in the fourth quarter of 2021 to make it suitable for public capital markets.

On September 30, 2021 a Vendor Loan between the subsidiary A. VI Beteiligungs GmbH and various previous shareholders as part of a delayed purchase price consideration in context of the acquisition of Boxine GmbH was due. Out of a total loan amount of mEUR 40 (or mEUR 44.8 including accrued interest), a total of mEUR 4.0 (or mEUR 4.4 including accrued interest) was repaid. The remainder was prolonged. For a majority of this amount outstanding the maturity was extended to the earlier of (i) closing of the business combination agreement with 468 SPAC I SE or (ii) end of February 2022. An amount of mEUR 1.4 has a maturity until December 31, 2021, while an amount of mEUR 16.8 has a maturity until March 31, 2022.

On July 8, 2021 and on September 22, 2021, a subordinate credit agreement of mEUR 30 and mEUR 7 respectively, was concluded between the subsidiary A VI Beteiligungs GmbH and Santo Holding (Deutschland) GmbH (mEUR 27 and mEUR 6.3 respectively) and another indirect shareholder (mEUR 3 and mEUR 0.7 respectively). Maturity of the credit agreement is June 30, 2022. Its purpose is to provide bridge funding until further equity funding to finance further international expansion is available (*see business combination agreement with 468 SPAC I SE above*) and to partially repay other debt due during the year (*see Vendor Loan below*). Santo Holding (Deutschland) GmbH is indirect shareholder in the company via its participation in Armira (Strategy G) Active Invest GmbH & Co. KG.

During 2021, various discussion with the banks providing working capital lines to Boxine GmbH took place. A loan agreement for mEUR 5 expiring on August 31, 2021, was prolonged until the end of the year 2021 with potential for further extension subject to the execution of the aforementioned 468 SPAC I SE transaction and the capital injection described therein.

Furthermore, after a covenants breach, covenants for parts of the bank lines were re-discussed and modified so that on level of the sub-group Boxine GmbH the sum of subordinated shareholder loans and equity under local GAAP amounts to at least mEUR 7 at all times.

If the merger of A. VI and 468 SPAC I SE cannot be completed as contractually agreed due to a material adverse effect -especially if the shareholders do not approve the transaction-, certain shareholders of A. VI have indicated their interest to inject further equity to the Group. In addition, based on discussions with potential capital providers A.VI has had during the year, it seems likely that the Group could also obtain debt financing. Altogether it is expected that the Group will be able to cover its financing needs at least until the end of 2022. Insofar, if the merger cannot be completed as agreed, the Group's ability as a going concern is dependent on the continuous financing through its shareholders and debt providers.

However, as the SPAC deal has not yet been closed and no contractual agreements are currently in place with shareholders and potential debt providers, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management

Leopold Walde Dr. Björn-Eric Förster

Audited consolidated financial statements of A. VI Holding GmbH prepared in accordance with IFRS as adopted by the EU as of and for the financial year ended December 31, 2020

Consolidated Statement of Financial Position
IFRS Statement of Financial Position

in kEUR	Notes	31.12.2020	31.12.2019	12.07.2019
Assets				
Property, plant and equipment	7	5,324	1,807	—
Right of use assets	7, 9	464	220	—
Intangible assets (excl. Goodwill)	8	125,504	132,483	—
Goodwill	8	162,236	162,236	—
Deferred tax assets	26	4,355	4,314	—
Non-current assets		**297,883**	**301,060**	**—**
Inventories	10	23,062	12,693	—
Trade receivables	11	16,850	17,054	—
Other assets (short term)	11	3,296	3,007	—
Cash	12	9,079	6,849	13
Current assets		**52,287**	**39,603**	**13**
Total assets		**350,170**	**340,663**	**13**
Equity				
Share capital	13	100	100	13
Share Premium	13	203,201	193,058	—
Translation Reserves	13	23	-33	—
Retained earnings	13	-9,870	-136	—
Profit (Loss)	13	-16,214	-9,734	—
Equity attributable to owners of the company		**177,240**	**183,255**	**13**
Non-controlling interests	6	21,293	23,271	—
Total equity		**198,533**	**206,526**	**13**
Liabilities				
Loans and borrowings (long term)	15	—	40,585	—
Lease liabilities (long term)	15	344	100	—
Share-based payment liabilities (long term)	21	3,471	—	—
Deferred tax liabilities	26	37,274	39,982	—
Non-current liabilities		**41,089**	**80,667**	**—**
Income Tax liabilities	26	807	1,222	—
Loans and borrowings (short term)	15	57,772	17,647	—
Lease liabilities (short term)	15	133	122	—
Trade payables (short term)	16	24,881	13,529	—
Other liabilities (short term)	16	13,766	11,212	—
Provisions (short term)	17	13,189	9,736	—
Current liabilities		**110,548**	**53,468**	**—**
Total liabilities		**151,637**	**134,135**	**—**
Total equity and liabilities		**350,170**	**340,663**	**13**

Consolidated Statement of Profit or Loss and Other Comprehensive Income
IFRS Statement of Profit or Loss and Other Comprehensive Income (By nature of expense)

in kEUR	Notes	01.01.2020 - 31.12.2020	12.07.2019- 31.12.2019
Continuing Operations			
Revenue	**19**	**134,573**	**45,725**
Changes in inventories		8,380	-25,704
Cost of materials	20	-75,484	-13,805
Gross profit		**67,469**	**6,216**
Licensing costs	20	-23,086	-7,334
Gross profit after Licensing costs		**44,383**	**-1,118**
Other income	23	568	237
Personnel expenses	22	-15,640	-1,879
Other expenses	24	-35,783	-9,828
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**-6,472**	**-12,588**
Depreciation and amortization	7, 9	-11,330	-3,373
Earnings before interest and taxes (EBIT)		**-17,802**	**-15,961**
Finance income	25	1	0
Finance costs	25	-3,472	-961
Earnings before tax (EBT)		**-21,273**	**-16,922**
Tax income	26	3,073	5,992
Profit (loss) for the period		**-18,200**	**-10,930**
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on translation to presentation currency	18	63	-37
Total comprehensive income for the period		**-18,137**	**-10,967**
Profit attributable to:			
Owners of the Company		-16,214	-9,243
Owners of the Company (Through anticipated acquisition/ NCI-Put)		0	-491
Non-controlling interests	6	-1,986	-1,198
Total comprehensive income attributable to:			
Owners of the Company		-16,158	-9,275
Owners of the Company (Through anticipated acquisition/ NCI-Put)		0	-492
Non-controlling interests	6	-1,979	-1,202

Consolidated Statement of Cash Flows
IFRS statement of cash flow for the period ended December 31st

in kEUR	Notes	01.01.2020 - 31.12.2020	12.07.2019- 31.12.2019
Profit (loss) for the period		**-18,200**	**-10,930**
Depreciation and amortization	7,9	11,330	3,373
Interest (income) expenses	25	3,471	961
Income taxes	26	-3,073	-5,992
EBITDA		**-6,472**	**-12,588**
Decrease (increase) in trade receivables	11	204	-7,909
Decrease (increase) in inventories	10	-10,369	24,868
Increase (decrease) in trade payables	16	11,260	-8,704
Decrease (increase) in net working capital		**1,095**	**8,255**
Loss on disposal of property, plant and equipment	7	-59	0
Decrease (increase) in other assets	11	-287	146
Increase (decrease) in other provisions	17	3,452	12,249
Increase (decrease) in other liabilities	16	2,553	-4,118
Increase (decrease) in share-based payment liabilities	21	3,471	0
Other non-cash (income) expenses		0	415
Cash Flow from operating activities		**3,753**	**4,359**
Acquisition of subsidiaries, net of cash acquired	5	0	-197,985
Purchase of property, plant and equipment	7	-3,460	-219
Acquisition of intangible assets	8	-4,213	-803
Cash flow from investing activities		**-7,673**	**-199,007**
Proceeds from issue of share capital by shareholders of the Parent Company	27	10,415	193,265
Proceeds from borrowings	15	6,410	15,000
Repayments of borrowings	15	-10,420	-6,203
Interest paid	15	-193	-376
Payment of lease liabilities	15	-125	-29
Dividends Paid		0	-136
Cash flow from financing activities		**6,087**	**201,521**
Net increase in cash		**2,167**	**6,873**
Change in cash resulting from exchange rate differences		63	-37
Net cash at the beginning of the period		6,849	13
Net cash at the end of the period		9,079	6,849

Consolidated Statement of Changes in Equity
IFRS Statement of Changes in Equity

in kEUR	Notes	Share capital	Share premium	Translation reserve	Retained earnings	Profit (Loss)	Total	Non controlling interest	Total equity
Balance as of 01.01.2020		**100**	**193,058**	**-33**	**-9,870**	**0**	**183,255**	**23,271**	**206,526**
Total comprehensive income									
Profit (loss) for the period	6					-16,214	-16,214	-1,986	-18,200
Other comprehensive income	6			56			56	7	63
Total comprehensive income		**0**	**0**	**56**	**0**	**-16,214**	**-16,158**	**-1,979**	**-18,137**
Contributions and distributions									
Contribution to capital reserves			10,415				10,415		10,415
Total contributions and distributions		**0**	**10,415**	**0**	**0**	**0**	**10,415**	**0**	**10,415**
Changes in ownership interest									
Acquisition of NCI without a change in control			-272				-272		-272
Total changes in ownership interest		**0**	**-272**	**0**	**0**	**0**	**-272**	**0**	**-272**
Total transactions with owners of the Company		**0**	**10,143**	**0**	**0**	**0**	**10,143**	**0**	**10,143**
Balance as of 31.12.2020		**100**	**203,201**	**23**	**-9,870**	**-16,214**	**177,240**	**21,293**	**198,533**

IFRS Statement of Changes in Equity

in kEUR	Notes	Share capital	Share premium	Translation reserve	Retained earnings	Profit (Loss)	Total	Non-controlling interest	Total equity
Balance as of 12.07.2019		**13**	**0**	**0**	**0**	**0**	**13**	**0**	**13**
Total comprehensive income									
Profit (loss) for the period	6					-9,734	-9,734	-1,198	-10,932
Other comprehensive income	6			-33			-33	-4	-37
Total comprehensive income		**0**	**0**	**-33**	**0**	**-9,734**	**-9,767**	**-1,202**	**-10,969**
Contributions and distributions									
Issue of ordinary shares		87	193,177				193,264		193,264
Dividends					-136		-136		-136
Total contributions and distributions		**87**	**193,177**	**0**	**-136**	**0**	**193,128**	**0**	**193,128**
Changes in ownership interest									
Acquisition of NCI without a change in control			-119				-119		-119
Acquisition of subsidiary with NCI								24,473	24,473
Total changes in ownership interest		**0**	**-119**	**0**	**0**	**0**	**-119**	**24,473**	**24,354**
Total transactions with owners of the Company		**87**	**193,058**	**0**	**-136**	**0**	**193,009**	**24,473**	**217,482**
Balance as of 31.12.2019		**100**	**193,058**	**-33**	**-136**	**-9,734**	**183,255**	**23,271**	**206,526**

Notes to the Consolidated Financial Statements

1 General information

A. VI Holding GmbH ("A. VI" or "the Company") is incorporated in Germany. The Company is registered in the commercial register at the district court Hamburg under the number HRB 163559. The registered office of the Company is in Schauenburgerstr. 59, 20095 Hamburg, Germany. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as "The Group" or "A. VI").

A. VI, through its subsidiary Boxine GmbH, is the producer of the innovative audio system 'tonies', consisting of a speaker box called toniebox and of various figures marketed under the name tonies enabling children to listen to stories and music of their choice by placing a tonie atop of the toniebox.

Since the Company was established on July 12, 2019, the entity presents a short comparative period for 2019, which limits the comparability of the presented periods.

On August 8, 2019 the 25,000 shares of A. VI Beteiligungs GmbH, Maria-Theresia-Straße 11, 81675 München, Germany, established on July 3, 2019 and registered in the commercial register at the district court München under the number HRB 249934, were contributed for EUR 1 per share to A. VI Holding GmbH.

Effective October 3, 2019, the Company acquired all shares in Boxine GmbH, Grafenberger Allee 120, 40237 Düsseldorf, Germany, including its wholly owned subsidiaries

- Boxine Sales DAB GmbH, Düsseldorf, Germany
- Boxine Productions GmbH, Düsseldorf, Germany
- Boxine Development GmbH, Düsseldorf, Germany
- Boxine UK Ltd, Bishops Stortford, UK

All Companies have been fully consolidated since their respective acquisition date and thereby been included in these consolidated financial statements. For further information relating to the acquisition of subsidiaries refer to note 5. Boxine Sales DAB GmbH, Boxine Productions GmbH and Boxine Development GmbH have been merged into Boxine GmbH as of January 1, 2020.

In connection with the transaction described above, 11% of the shares in A. VI Beteiligungs GmbH were sold to Höllenhunde GmbH. For details please refer to notes 5 and 6.

Boxine US Inc. was founded on November 20, 2019 with share capital of kEUR 21 (kUSD 25) outstanding. Boxine GmbH holds all shares in Boxine US Inc.

2 Basis of preparation

2.1 Statement of compliance

These consolidated financial statements are A. VI's first consolidated financial statements in accordance with IFRS 1 including the current short reporting period from July 12, 2019 to December 31, 2019 as well as an opening balance as of July 12, 2019. The consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, and notes to the consolidated financial statements, including significant accounting policies and other explanatory information are presented for the short reporting period. The consolidated financial statements of A. VI have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as endorsed by the European Union as of December 31, 2020. The term IFRS also includes all valid International Accounting Standards (IAS) as well as the interpretations of the International Financial Reporting Interpretation Committee (IFRIC). The financial statements were authorised by management on October 11, 2020.

The assets and liabilities in the consolidated statement of financial position were classified in accordance with IAS 1 as current/non-current with the criteria defined by IAS 1.54 et seqq.

A. VI has decided to prepare a consolidated statement of profit or loss and other comprehensive income using the nature of expense method.

A. VI has elected to present consolidated comprehensive income using a 'one-statement' approach. The consolidated statement of financial position complies with the classification requirements of IAS 1 "Presentation of Financial Statements". When presenting items of other comprehensive income, items reclassified to profit or loss are presented separately from items that are never reclassified. Assets and liabilities are classified by maturity. A. VI presents consolidated cash flows from operating activities using the indirect method. Individual items of the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position are combined in order to improve the clarity of presentation. These items are explained in the notes to the consolidated financial statements.

All amounts have been rounded to the nearest thousand, unless otherwise indicated. As amounts are disclosed in thousands of euros, standard commercial rounding may result in rounding differences. In some cases, such rounded amounts and percentages may not correspond 100% to the stated sums when added together and subtotals in tables may differ slightly from non-rounded figures.

2.2 Financial statements

A. VI has not prepared consolidated financial statements in accordance with previous accounting principles. As there are no financial statements comparable to these consolidated financial statements, the obligation according to IFRS 1.23 in connection with IFRS 1.24ff to disclose reconciliations of the transition to reporting in accordance with IFRS is not applicable.

2.3 Going concern

The consolidated financial statements were prepared on a going concern basis according to IAS 1.25.

Regarding a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern we refer to note 28, "Events after the reporting date".

2.4 Measurement basis

The consolidated financial statements have been prepared on the basis of historical costs. This does generally not apply to derivative financial instruments, as they are recognised at fair value as of the balance sheet date. A corresponding explanation is provided in the context of the respective accounting policies.

2.5 Functional currency and presentation currency

These consolidated financial statements are presented in Euro, which is A. VI's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.6 Current/ non-current classification

An asset is classified as current if it is expected to be realised or consumed within A. VI's normal operating cycle of one year. All other assets are classified as non-current.

A liability is classified as current if it is expected to be settled within A. VI's normal operating cycle. All other liabilities are classified as non-current.

3 Significant accounting policies

A. VI has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

3.1 Consolidation

3.1.1 Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment and on adhoc basis in case of triggering events. Any gain on a bargain purchase is recognised in profit or loss after further verification. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

If non-controlling interests (NCI) hold written put options, the anticipated-acquisition method is used. As a result, the interests of non-controlling shareholders, corresponding to the written put option, are derecognised and a financial liability is recognised. The recognition of the financial liability implies that the interests subject to the written put option are deemed to have been acquired already.

3.1.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3.1.3 Non-controlling interests

Non-controlling interests (NCI) are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.1.4 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated.

3.2 Foreign currency

3.2.1 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within cost of materials.

3.2.2 Foreign currency operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into euro at the exchange rates at the dates of the transactions. Throughout the year month end and monthly average rates are used for the translation of balance sheet or profit and loss statements from foreign subsidiaries.

Foreign currency differences are recognised in Other Comprehensive Income (OCI) and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

3.3 Property, plant and equipment

3.3.1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

3.3.2 Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to A. VI. All other expenditure for property, plant and equipment is recognised immediately as an expense.

3.3.3 Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Property (Right-of-Use Assets)	2-10 years
Vehicles (Right-of-Use Assets)	2-3 years
Technical equipment and machinery	3-10 years
Other equipment, operating and office equipment	3-10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.3.4 Derecognition

Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from the continued use of the asset. The gain or loss arising from the sale or retirement of a property, plant and equipment is determined as the difference between the proceeds from the sale and the carrying amount of the asset and is recognised in profit or loss under other income or other expenses.

3.4 Intangible assets

3.4.1 Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

3.4.2 Other intangible assets

Other intangible assets, including patents and trademark, customer relationships, software and order backlog that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

3.4.3 Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

3.4.4 Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:

Patents and Trademark	15 years
Customer relationships	10-15 years
Software	3-7 years
Order backlog	0.25 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.4.5 Derecognition

An intangible asset shall be derecognised on disposal or when no further economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in the income statement when the asset is derecognised. This is recognised under other income or other expenses.

3.5 Leases

At inception of a contract, A. VI assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A. VI solely acts as a lessee.

At commencement or on modification of a contract that contains a lease component, A. VI allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

A. VI recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to A. VI by the end of the lease term or the cost of the right-of-use asset reflects that A. VI will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, A. VI's incremental borrowing rate. Generally, A. VI uses its incremental borrowing rate as the discount rate.

A. VI determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that A. VI is reasonably certain to exercise, lease payments in an optional renewal period if A. VI is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless A. VI is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in A. VI's estimate of the amount expected to be payable under a residual value guarantee, if A. VI changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, A. VI assesses whether:

- The contract involves the use of an identified asset — this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- A. VI has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- A. VI has the right to direct the use of the asset. A. VI has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used throughout the period of use. When all the decisions about how and for what purpose the asset is used are predetermined, A. VI has the right to direct the use of the asset if either:
  - A. VI has the right to operate the asset; or
  - A. VI designed the asset in a way that predetermines how and for what purpose it will be used.

A. VI presents its leases in 'right-of-use assets' in the statement of financial position.

A. VI has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. A. VI recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the simple weighted average price. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity. Impairment due to limited marketability of items is taken into account by means of write-downs.

3.7 Impairment

3.7.1 Non-derivative financial assets

Financial instruments

The Group generally measures loss allowances at an amount equal to 12-month expected credit losses (ECLs) (general approach) for the following:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition. However, no adjustment was necessary as of 31 December 2019 and 31 December 2020.

The Group recognises loss allowances at an amount equal to lifetime ECLs (simplified approach) for the following:

- financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that A. VI expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when A. VI has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3.7.2 Non-financial assets

At each reporting date, A. VI reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment and on adhoc basis in case of triggering events.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGU). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Share capital

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

3.9 Provisions

A provision is a liability of uncertain timing or amount. Provisions are recognised if A. VI has a present obligation to a third party based on a past event, an outflow of resources to settle the obligation is probable and the amount of the obligation can be reliably estimated. Provisions are discounted if the effect is material.

Provisions where the outflow of resources is likely to occur within the next year are classified as current, and all other provisions as non-current.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

3.10 Financial instruments

3.10.1 Recognition and initial measurement

Trade receivables are initially recognised when they are originated. Financial assets and financial liabilities are initially recognised when A. VI becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at Fair Value through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.10.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost; Fair Value through Other Comprehensive Income (FVOCI) — debt investment; FVOCI — equity investment; or FVTPL.

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.10.3 Derecognition

Financial assets

A. VI derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which A. VI neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

A. VI derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. A. VI also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

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

3.10.4 Derivative financial instruments

Derivative financial instruments

The Group holds derivative financial instruments to economically hedge part of its foreign currency risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

3.11 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. A. VI recognises revenue when it transfers control over a good to a customer.

Further information on the nature and timing of the settlement of performance obligations arising from contracts with customers, including significant terms and conditions of payment, and the related revenue recognition principles are described in Note 19.

3.12 Share-based payments

The fair value of the amount payable to employees in respect of share appreciation rights (SARs), which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the liability are recognised in profit or loss.

3.13 Personnel expenses

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.14 Finance income and finance costs

Finance cost of A. VI includes interest expense from loans and borrowings, interest expenses from leasing and from factoring. Interest expense is recognised in the financial statement in the period in which it is incurred using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.15 Income taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items are recognised directly in equity or in OCI.

3.15.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

3.15.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which A. VI expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria of IAS 12.74 are met.

3.16 New and amended IFRS

A number of new and revised standards and amendments to standards have been issued by the reporting date and come into force in annual periods beginning on or after January 1, 2021. They are also available for early adoption. However, A. VI has not adopted any of the new or amended standards in preparing these consolidated financial statements.

The following table lists the recent changes to IFRS that are required to be applied for an annual period beginning after the effective dates. The amended standards and interpretations are not expected to have a significant impact on A. VI's consolidated financial statements.

Standard (Amendments)	Title of standard or amendments	Effective date
IAS 8.30, EU Endorsement has been made by the date of release for publication		
IFRS 4 (A)	Extension of the Temporary Exemption from Applying IFRS 9 ("Deferral of IFRS 9")	January 1, 2021
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (A)	Interest Rate Benchmark Reform Phase 2	January 1, 2021
IFRS 16 (A)	Covid-19-Related Rent Concessions	June 6, 2020
IAS 8.30 EU endorsement is still pending		
IFRS 17	Insurance Contracts	January 1, 2023
IFRS 3 (A)	Reference to Conceptual Framework	January 1, 2022
IFRS 10 and IAS 28 (A)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Postponed indefinitely
IAS 1 (A)	Classification of Liabilities as Current or Non-current	January 1, 2023
IAS 16 (A)	Property, Plant and Equipment: Proceeds before intended Use	January 1, 2022
IAS 37 (A)	Onerous Contracts — Cost of Fulfilling a Contract	January 1, 2022
Improvements to IFRS 2019 – 2020	Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	January 1, 2022

4 Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

When measuring the fair value of an asset or a liability, A. VI uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

These consolidated financial statements include the following significant items whose carrying amounts depend substantially on judgements and the underlying assumptions and estimates:

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 9 — **Lease term:** whether the Group is reasonably certain to exercise extension options.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at December 31, 2020 that have a significant risk resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 5 — **Acquisition of subsidiaries:** key assumption about underlying fair values of the acquired identifiable assets and liabilities assumed; major assumptions are the future development according to the 5 year budget as well as the value of trade name, customer base and technology
- Note 7 and 8 — **Intangible and tangible assets**: key assumptions about underlying useful lives and future utilization of the assets value;
- Note 8 — **Goodwill:** key assumption about the recoverable amounts of the CGU and the underlying 5 year budget;
- Note 8 — **Impairment test of intangible assets**: key assumption about useful lives and underlying recoverable amounts;
- Note 17 — **Recognition and measurement of provisions:** key assumptions about the likelihood and magnitude of an outflow of resources, in particular for licence provisions;
- Note 18.2.1 — **Measurement of ECL allowance for trade receivables:** key assumptions in determining the weighted-average loss rate;
- Note 26 — **Recognition of deferred tax assets**: availability of future taxable profit against which deductible temporary differences can be used as well as the future utilization of tax losses carried forward for Boxine GmbH.

5 Acquisition of subsidiaries

For a description of the acquired companies see note 1.

Boxine Acquisition

The management as well as the shareholders expect that the acquisitions will lead to dynamic growth in terms of increasing revenue and earnings and consequently to an increase in enterprise value.

The following table shows all direct and indirect acquired subsidiaries in the short reporting period 2019:

Company	Location	Primary activity	Date of the acquisition	Purchased shares (%)
Boxine Group	Düsseldorf	Producer of the innovative audio system ‘tonies’, consisting of a speaker box called toniebox and of various figures marketed under the name tonies enabling children to listen to stories and music of their choice by placing a tonie atop of the toniebox.	October 3, 2019	89

Revenue and net income of the combined entity for the comparative short reporting period as though the acquisition date for all business combinations that occurred during the year had been as of the beginning of the short reporting period are presented in the following table:

	A. VI Holding GmbH	Boxine Group	Total
kEUR	*12.07. 2019 – 31.12. 2019*	*12.07. 2019 – 31.12. 2019*	*12.07. 2019 – 31.12. 2019*
Revenue	0	64,590	**64,590**
Net income/(loss)	-33	-13,464	**-13,497**

In determining these amounts, management has assumed that the fair value adjustments that arose on the date of the acquisition would have been the same if the acquisition had occurred on July 12, 2019.

Boxine Group

The following table summarises the impact of the acquisition, as of October 3, 2019:

Reconciliation of Goodwill	**kEUR**
Assets	
Property, plant and equipment	1,983
Intangible assets (excl. Goodwill)	134,879
Deferred tax assets	4,186
Non-current assets	**141,047**
Inventories	37,561
Trade receivables	9,450
Other assets (short term)	2,850
Cash	602
Current assets	**50,463**
Liabilities	
Other liabilities (long term)	221
Deferred tax liabilities	45,559
Non-current liabilities	**45,780**
Loans and borrowings	13,702
Other liabilities (short term)	36,176
Current liabilities	**49,878**
Net identifiable assets	**95,852**
Consideration transferred	**223,586**
Thereof: paid in cash and cash equivalents	198,586
Thereof: liabilities incurred	25,000
NCI put liability (anticipated acquisition)	**10,028**
NCI	**24,473**
Goodwill	**162,236**

The goodwill is mainly attributable to know-how of the workforce and growths opportunities with prospective customers. None of the goodwill recognised is expected to be deductible for tax purposes.

As of the acquisition date, the fair value of trade receivables amount to kEUR 9,450 while the gross contractual amounts of trade receivables amount to kEUR 9,496. Therefore, the best estimate at the acquisition date of contractual cash flows not expected to be collected amount to kEUR 46.

For the three months ended December 31, 2019, Boxine Group contributed revenue of kEUR 45,725 and a net loss of kEUR 9,638 to A. VI's result.

The Group incurred costs of kEUR 1,417 in connection with the business combination, mainly for legal advice and due diligence. These costs are included in other operating expenses.

6 Non-controlling interests

The following tables summarise the information relating to the Group's sub-group that has material NCI, before any intra-group eliminations:

A. VI Beteiligungs sub group	31.12.2020	31.12.2019	12.07.2019
NCI percentage	11%	11%	0%
	kEUR	kEUR	kEUR
1. Non-current assets	297,883	301,060	0
2. Current assets	47,252	34,421	13
3. Non-current liabilities	41,090	80,667	0
4. Current liabilities	110,539	43,298	0
Net assets	**193,507**	**211,515**	**13**
Net assets attributable to NCI	**21,293**	**23,271**	**0**

A. VI Beteiligungs sub group	01.01.2020-31.12.2020	12.07.2019-31.12.2019
1. Revenue	134,573	45,725
2. Profit (loss)	-18,072	-10,899
3. OCI	63	-37
Total comprehensive income	**-18,009**	**-10,935**
Profit allocated to NCI	**-1,986**	**-1,198**
OCI allocated to NCI	**7**	**-4**
1. Cash Flow from operating activities	429	481
2. Cash Flow from investment activities	-844	-25,694
3. Cash Flow from financing activities (dividends to NCI: nil)	670	25,398
Net increase in cash	**255**	**185**

7 Property, plant and equipment and right of use

Property, plant and equipment (including right of use) can be broken down to the following items:

Property, plant and equipment	Right of use	Land and building	Technical equipment and machinery	Fixtures and fittings	Assets under construction	Total
Cost	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Balance as of 12.07.2019	**0**	**0**	**0**	**0**	**0**	**0**
Acquired through business combination	251	0	1,363	368	0	**1,982**
Additions	0	0	169	50	0	**219**
Balance as of 31.12.2019	**251**	**0**	**1,533**	**418**	**0**	**2,202**
Additions	380	34	2,431	657	337	**3,839**
Disposals	0	0	0	0	0	**0**
Reclassification	0	43	564	280	0	**887**
Balance as of 31.12.2020	**631**	**77**	**4,528**	**1,355**	**337**	**6,928**

Property, plant and equipment	Right of use	Land and building	Technical equipment and machinery	Fixtures and fittings	Assets under construction	Total
Depreciation	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Balance as of 12.07.2019	**0**	**0**	**0**	**0**	**0**	**0**
Depreciation	31	0	55	89	0	**175**
Balance as of 31.12.2019	**31**	**0**	**55**	**89**	**0**	**175**
Depreciation	136	10	534	224	0	**904**
Reclasification	0	20	-54	95	0	**61**
Balance as of 31.12.2020	**167**	**30**	**535**	**408**	**0**	**1,140**

Carrying amounts	Right of use	Land and building	Technical equipment and machinery	Fixtures and fittings	Assets under construction	Total
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Carrying amounts on 12.07.2019	0	0	0	0	0	0
Carrying amounts on 31.12.2019	220	0	1,478	329	0	2,027
Carrying amounts on 31.12.2020	464	47	3,993	947	337	5,788

8 Intangible assets and goodwill

8.1 Reconciliation of carrying amount and amortization

Intangible assets can be broken down to the following items as follows:

Intangible assets	Brand	Tech-nology	Customer relationship	Order backlog	Patents, licenses and similar rights and values	Total
Cost	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Balance as of 12.07.2019	**0**	**0**	**0**	**0**	**0**	**0**
Acquired through business combination	34,738	90,688	4,819	669	3,965	**134,879**
Additions					803	**803**
Balance as of 31.12.2019	**34,738**	**90,688**	**4,819**	**669**	**4,768**	**135,682**
Additions					4,213	**4,213**
Reclassification					-887	**-887**
Balance as of 31.12.2020	**34,738**	**90,688**	**4,819**	**669**	**8,093**	**139,007**

Intangible assets	Brand	Tech-nology	Customer relationship	Order backlog	Patents, licenses and similar rights and values	Total
Amortization	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Balance as of 12.07.2019	**0**	**0**	**0**	**0**	**0**	**0**
Amortization	579	1,511	110	669	329	**3,199**
Balance as of 31.12.2019	**579**	**1,511**	**110**	**669**	**329**	**3,199**
Amortization	2,316	6,046	439	0	1,624	**10,425**
Reclassification					-62	**-62**
Disposals					-59	**-59**
Balance as of 31.12.2020	**2,895**	**7,557**	**549**	**669**	**1,833**	**13,503**

Carrying amounts	Brand	Tech-nology	Customer relationship	Order backlog	Patents, licenses and similar rights and values	Total
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Carrying amounts on 12.07.2019	0	0	0	0	0	0
Carrying amounts on 31.12.2019	34,159	89,176	4,710	0	4,438	132,483
Carrying amounts on 31.12.2020	31,843	83,130	4,271	0	6,260	125,504

The brand and the capitalised purchased technology bundle (different core technologies) represent the majority of the intangible assets as well as the total assets. Both assets have an expected useful life of 15 years and are amortised on a straight-line basis.

Customer relationship assets generating future revenues are divided between the B2B and the B2C business with a useful life of 15 years and 10.25 years respectively.

8.2 Goodwill and impairment test

The carrying amount of goodwill as of the balance sheet date is shown in the following table:

Carrying Amounts	Goodwill kEUR
Carrying amount as of 12.07.2019	0
Additions recognised from business combinations	162,236
Carrying amount as of 31.12.2019	**162,236**
Carrying amount as of 01.01.2020	162,236
Additions/(-)disposals recognised from business combinations	0
Carrying amount as of 31.12.2020	**162,236**

A. VI consists of only one cash-generating unit (CGU). The goodwill resulting from the acquisition of Boxine GmbH is attributable in full to this CGU. There were no triggering events in the reporting period. No impairment has been recognised in the reporting periods. The Goodwill is tested for impairment annually and on adhoc basis in case of triggering events.

The recoverable amount of the CGU is based on the value in use, which is estimated by discounted cash flow. The company assumes a substantial increase in demand due to additional market penetration and additionally developed markets as well as stable purchase prices. The key assumptions used in estimating the recoverable amounts are outlined below. The values assigned to the key assumptions represent management's assessment of future developments in the relevant industry and are based on historical values from external and internal sources. In addition, the expected sales growth on new markets entered (especially UK, USA and France) as well as other international markets that will be approached from Germany have been considered. And finally, the assessment of the optimization potential on the procurement side has been taken into account. Both, expansionary capital expenditure and cost optimization potential, have only been taken into account to the extent that the entity was committed as of December 31, 2020.

Impairment-test input variables	2020 Year 1-5	2020 6 cont.	2019 Year 1-5	2019 6 cont.
	in %	in %	in %	in %
Discount rate	10.51%	11.70%	10.30%	11.70%
Revenue growth rate	39.30%	1.50%	36.27%	1.50%
Gross profit growth rate	47.31%	1.50%	45.24%	1.50%

The discount rates are pre-tax figure estimated on the basis of the historical average weighted cost of capital for the industry.

The cash flow forecasts contained specific estimates for five years and a perpetual growth rate thereafter. The planned Revenue growth rate and Gross profit growth rate was determined on a group basis.

9 Leases

A. VI leases four office properties, one in Düsseldorf, two in Schwäbisch Gmünd and one in California as well as two vehicles. The lease maturity runs from two up to ten years.

A. VI does not have the option to purchase the assets at the end of the contract term. For the movements in right of use assets refer to the table below.

Two property leases contain an extension option exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of kEUR 85. The Group has entered into a rental contract for new office spaces in 2019. The commencement date of the contract has been postponed from 2020 to the end of 2021. The Group has estimated that the future lease payments would result in a lease liability of kEUR 4,597.

Moreover, the Group leases further office properties and vehicles with contract terms of up to one year or unlimited contracts with option to terminate in due time. As these leases are short-term, the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

Leases Right-of-use assets	Land and buildings kEUR	Vehicles kEUR	Total kEUR
2019			
Balance as of 12.07.2019	0	0	**0**
Depreciation charge for the year	27	4	**31**
Additions to right-of-use assets	222	29	**251**
Balance as of 31.12.2019	**195**	**25**	**220**
2020			
Balance as of 01.01.2020	195	25	**220**
Depreciation charge for the year	121	15	**136**
Additions to right-of-use assets	380	0	**380**
Balance as of 31.12.2020	**454**	**10**	**464**

When measuring lease liabilities, A. VI discounted lease payments using a risk-free rate plus a credit spread individual for each contract. For the calculation of the risk-free rates, the spot rate for a European AAA bond is selected for each lease. The selected term of the spot rate is corresponding to the half of the term of the lease contract. This is due to the fact that the AAA rated bonds are bullet payments with full amortization and the rental payments are monthly payments. The use of half the term instead of the entire term of the lease thus serves as a maturity adjustment.

To determine the credit risk premium, the credit spreads of each loan of A. VI were first determined.

To calculate the credit spreads, the spot rates (risk-free rates) at the issue date of the loans were first determined. The selected term of the spot rate is corresponding to the half of the term of the loan contract. Next the spot rate was subtracted from the borrowing rate of the loan agreement to obtain the respective credit spreads. Subsequently, the spreads were weighted on the basis of the loan volumes. Finally, the discount rate for each lease liability was the individual risk-free rate plus the credit spread.

Leases	2020 kEUR	2019 kEUR
Amounts recognised in profit or loss		
1. Interest on lease liabilities	14	3
2. Expenses relating to short-term leases	251	28
Amounts recognised in the statement of cash flows		
1. Total cash outflow of leases	403	63

10 Inventories

Inventories can be broken down to the following items as follows:

Inventories	31.12.2020 kEUR	31.12.2019 kEUR	12.07.2019 kEUR
1. Raw materials	4,633	2,644	0
2. Work in process	813	1,075	0
3. Finished goods	17,616	8,974	0
Total	**23,062**	**12,693**	**0**

Write downs of inventory recognised as an expense have been performed in 2020 amounting to kEUR 1.049 (turnover and scrap) and in 2019 amounting to kEUR 461 (scrap).

As of December 31, 2020, part of the inventory of Boxine GmbH (2019: Boxine Sales DAB GmbH) were assigned as collateral for liabilities to banks totaling kEUR 9,265 (31.12.2019: kEUR 3,673, 12.07.2019: kEUR 0). The security comprises the assignment of ownership of the warehouse with changing stock of finished goods. There were no other collaterals for liabilities in the financial year or in the prior year. For further information see note 15.

11 Trade receivables and other assets

Trade receivables and other assets can be broken down as follows:

Trade receivables	31.12.2020	31.12.2019	12.07.2019
	kEUR	kEUR	kEUR
Financial assets			
1. Trade receivables	16,850	17,016	0
2. Receivables from related parties	0	38	0
Total	**16,850**	**17,054**	**0**

Other assets	31.12.2020	31.12.2019	12.07.2019
	kEUR	kEUR	kEUR
Other financial assets			
1. Deposits	713	396	0
2. Receivables from payment providers	728	296	0
3. Receivables from marketplaces	799	78	0
4. Other receivables financial	38	2	0
Sum of other financial assets	**2,278**	**772**	**0**
Other non-financial assets			
1. Deferred expenses and accrued income	845	1,378	0
2. Receivables resulting from input taxes and VAT	58	454	0
3. Other receivables non-financial	115	403	0
Sum of other non-financial assets	**1,018**	**2,235**	**0**
Total	**3,296**	**3,007**	**0**

The Group participates in a factoring program under which it receives early payment of its invoices from a bank by factoring its receivables from B2B customers. Under the arrangement, a bank agrees to pay amounts outstanding from a qualifying customer in respect of invoices owed to the Group and receives settlement from the customer at a later date. The principal purpose of this program is to facilitate efficient payment processing and improve the Group's liquidity by enabling payments from customers before their due date.

The Group derecognises the original outstanding receivables from its customers in accordance with IFRS 9. As of December 31, 2020, the Group's factored receivables amount to kEUR 11,746 (31.12.2019: kEUR 12,476, 12.07.2019: kEUR 0). As of December 31, 2020, receivables outstanding from factoring to the bank amount to kEUR 8,525 (31.12.2019: kEUR 10,826, 12.07.2019: kEUR 0).

The payments from the bank are included within operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating – i.e. payments for the sale of goods.

12 Cash

Cash comprise cash and cash at banks. As of December 31, 2020 A. VI, had cash with a carrying amount of kEUR 9,079 (2019: kEUR 6,849). As the amount of cash is below EUR 500 no amount is presented.

Cash	31.12.2020	31.12.2019	12.07.2019
	kEUR	kEUR	kEUR
1. Cash	0	0	0
2. Cash at banks	9,079	6,849	13
Total	**9,079**	**6,849**	**13**

13 Equity

The changes in the various components of equity from January 1, 2020 through December 31, 2020 are shown in A. VI's consolidated statement of changes in equity.

There are 100,000 subscribed shares in 2020 (31.12.2019: 100,000 subscribed shares, 12.07.2019: 12,500 subscribed shares). The par value of each share is EUR 1. All shares are paid in full.

The share premium reflects the capital contribution to A. VI by its shareholders amounting to kEUR 193,177 in 2019 as well as the contribution to capital reserves in 2020 in the amount of kEUR 10,415.

With the acquisition of Boxine Group, A.VI Beteiligung GmbH initially acquired 100 % of the shares in Boxine GmbH. The former shareholders received a share in A.VI Beteiligung GmbH amounting to 15% as part of the transaction. A total of 4% were written as a NCI-put option that the company chose to account for using the anticipated acquisition method leading to a total NCI share in the transaction of 11%. Changes to the resulting put-liability are accounted for within equity. For more information on non-controlling interests refer to note 6.

In 2019 the Group declared and paid a dividend amounting to kEUR 135 to non-controlling interest of A. VI Beteiligungs GmbH.

Other comprehensive income includes a translation reserve for exchange differences in translation to presentation currency amounting to kEUR 23 in 2020 (31.12.2019: kEUR -33, 12.07.2019: kEUR 0). For more information on currency exchange refer to note 3.2.

14 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Within the scope of capital management, the company's business objective, in addition to ensuring the going concern of the company, is to increase the value of the company in the long term.

The Group's equity ratio decreased from 61% to 57% due to the decrease in total assets and the consolidated net loss for the year. The Group plans to increase its equity ratio going forward. It is in the process of completing a capital markets transaction raising additional equity funding. Part of this funding will be used to repay the majority of its outstanding debt. For further information, please refer to note 28.

As at the year end, the Group had unused credit facilities in the amount of kEUR 15,248 out of a total line of credit of kEUR 30,000. Additional credit lines and financing were successfully negotiated and implemented from the beginning of 2021. The Group was able to meet its financial obligations at all times during the reporting year and thereafter. For further information on waivers during the reporting period, refer to note 15.

15 Loans and borrowings

Loans and borrowings can be broken down as follows:

Loans and borrowings	31.12.2020	31.12.2019	12.07.2019
	kEUR	kEUR	kEUR
Non-current liabilities			
1. Vendor loans	0	40,585	0
Total Non-current liabilities	**0**	**40,585**	**0**
Current liabilities			
1. Current portion of secured bank loans	9,265	3,673	0
2. Current portion of unsecured bank loans	5,487	3,827	0
3. Current portion of vendor loans	43,020	0	0
4. Put liability	0	10,147	0
Total Current liabilities	**57,772**	**17,647**	**0**
Total	**57,772**	**58,232**	**0**

For Information about A. VI's exposure to interest rate, foreign currency and liquidity risks please refer to note 18.2.

Terms and repayment schedule

Loans and borrowings		Original currency	Matures in	Interest type	Effective interest rate	Nominal value	Carrying amount
31.12.2020					in %	kEUR	kEUR
1.	Unsecured bank loans	EUR	n/a[1]	fix[1]	4.50	5,487	5,487
2.	Secured bank loans	EUR	n/a[1]	fix[1]	3.75-4.95	9,265	9,265
3.	Vendor loans	EUR	30.09.2021	fix	6.00	40,000	43,020
Total						**54,752**	**57,772**

Loans and borrowings		Original currency	Matures in	Interest type	Effective interest rate	Nominal value	Carrying amount
31.12.2019					in %	kEUR	kEUR
1.	Unsecured bank loans	EUR	n/a[1]	fix[1]	4.97	3,827	3,827
2.	Secured bank loans	EUR	n/a[1]	fix[1]	4.5-4.95	3,673	3,673
3.	Vendor loans	EUR	30.09.2021	fix	6.00	40,000	40,585
4.	Put liability	EUR	n/a	n/a	n/a	10,147	10,147
Total						**57,647**	**58,232**

As of December 31, 2020, the Group has outstanding credit lines from overdraft facilities from secured and unsecured bank loans amounting to kEUR 15,248 (31.12.2019: kEUR 10,000).

Regarding the assignment of inventories as collateral for liabilities to banks refer to note 10.

The put liability has been exercised in H1/2020 resulting in a share transfer from the minority shareholder to the majority shareholder, decreasing the non-controlling interests from 15% to 11%.

Loan covenant

A. VI must ensure that it can meet its financial obligations and that the financial covenants from the credit agreements are complied with.

The Group has secured bank loans with a carrying amount of kEUR 9,265 at December 31, 2020 (31.12.2019: kEUR 3,673, 12.07.2019: kEUR 0) and unsecured bank loans with a carrying amount of kEUR 5,487 at December 31, 2020 (31.12.2019: kEUR 3,827, 12.07.2019: kEUR 0)

A. VI was obliged to maintain several financial ratios regarding the secured bank loans at the level of Boxine subgroup.

Failure to comply with a financial covenant constitutes a material reason for terminating the loan and alternatively entitles to demand the provision or strengthening of collateral. This might lead to the immediate repayment of the outstanding amount. In some cases, covenants were breached but waivers were granted accordingly and new covenants were agreed.

Reconciliation of movements of liabilities to cash flows arising from financing activities

The following table provides a reconciliation between the opening and closing balances in the consolidated statement of financial position. The changes from financing cash flows loans and borrowings and lease liabilities are presented separately.

[1] Unsecured and secured bank loans, resulting from overdraft facilities, have cancellation periods subject to individual conditions agreed with the corresponding financial institutions (usually of at least two months). Interest rates are generally fix but are reviewed by the banks on a regular basis.

Loans and borrowings & Lease liabilities (Reconciliation of movements)	Bank loans	Lease liabilities	Vendor loans	Put liability	Total
	kEUR	kEUR	kEUR	kEUR	kEUR
Balance as of 31.12.2019	**7,500**	**222**	**40,585**	**10,147**	**58,453**
Changes arising from obtaining control of subsidiaries	—	—	—	—	—
Changes from financing cash flows					
Proceeds from loans and borrowings	6,410	—	—	—	6,410
Repayment of borrowings	—	—	—	-10,420	-10,420
Payments of lease liabilities	—	-125	—	—	-125
Interest paid	—	-14	—	—	-14
Total changes from financing cash flows	**6,410**	**-139**	**—**	**-10,420**	**-4.149**
Liability-related					
New lease liabilities	—	380	—	—	380
Modification of put liabilities	—	—	—	273	273
Interest expense	842	14	2,435	—	3,291
Total liability-related other changes	**842**	**394**	**2,435**	**273**	**3,944**
Balance as of 31.12.2020	**14,752**	**477**	**43,020**	**0**	**58,249**

Loans and borrowings & Lease liabilities (Reconciliation of movements)	Bank loans	Other loans	Lease liabilities	Vendor loans	Put liability	Total
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Balance As of 12.07.2019	**0**	**0**	**0**	**0**	**0**	**0**
Changes arising from obtaining control of subsidiaries	**12,276**	**1,426**	**—**	**25,000**	**10,028**	**48,730**
Changes from financing cash flows						
Proceeds from loans and borrowings	—	—	—	15,000		15,000
Repayment of borrowings	-4,777	-1,426		—	—	-6,203
Payments of lease liabilities		—	-29	—	—	-29
Interest paid	-265	—	-3	—	—	-268
Total changes from financing cash flows	**-5,042**	**-1,426**	**-32**	**15,000**	**0**	**8,500**
Liability-related						
New lease liabilities	—	—	251	—	—	251
Modification of lease liabilities	—	—	—	—	119	119
Interest expense	265	—	3	587	—	855
Total liability-related other changes	**265**	**0**	**254**	**587**	**119**	**1,225**
Balance as of 31.12.2019	**7,500**	**0**	**222**	**40,585**	**10,147**	**58,454**

16 Trade payables and other liabilities

Trade payables	31.12.2020	31.12.2019	12.07.2019
	kEUR	kEUR	kEUR
Trade payables			
1. Trade payables	22,272	12,605	0
2. Trade payables due to related parties	15	0	0
3. Trade Accrued expenses	2,594	924	0
Sum of Trade payables	**24,881**	**13,529**	**0**

Other liabilities	31.12.2020	31.12.2019	12.07.2019
	kEUR	kEUR	kEUR
Other financial liabilities			
1. Derivatives	1,175	97	0
2. Liabilities for licenses	8,057	8,127	0
3. Liabilities for customer bonus	928	283	0
4. Other liabilities financial	14	0	0
Sum of other financial liabilities	**10,174**	**8,507**	**0**
Other non-financial liabilities			
1. Payroll tax and social security contributions	425	101	0
2. Liabilities resulting from input taxes and VAT	2,499	2,437	0
3. Accrued expenses (non-financial)	446	166	0
4. Other liabilities non-financial	222	1	0
Sum of other non-financial liabilities	**3,592**	**2,705**	**0**
Total	**13,766**	**11,212**	**0**

Accrued expenses mainly consist of advertisement subsidies and personnel expenses.

For information about A. VI's exposure to currency and liquidity risks please refer to note 18.2.

17 Other Provisions

Other provisions	Warranties	Licenses	Other	Total
	kEUR	kEUR	kEUR	kEUR
Balance as of 31.12.2019	**250**	**9,034**	**452**	**9,736**
Added		3,566	2	**3,568**
Utilised		0	0	**0**
Reserved	4	111	0	**115**
Balance as of 31.12.2020	**246**	**12,489**	**454**	**13,189**
Date of maturity				
Current	246	12,489	454	**13,189**
Non-current				**0**
Total other provisions	**246**	**12,489**	**454**	**13,189**

Other provisions	Warranties	Licenses	Archiving costs	Total
	kEUR	kEUR	kEUR	kEUR
Balance as of 12.07.2019	**0**	**0**	**0**	**0**
Acquired through business combination		5,450	447	**5,897**
Added	250	3,749	5	**4,004**
Utilised				
Reserved		165		**165**
Balance as of 31.12.2019	**250**	**9,034**	**452**	**9,736**
Date of maturity				
Current	250	9,034	452	**9,736**
Non-current	0	0	0	**0**
Total other provisions	**250**	**9,034**	**452**	**9,736**

The provisions for licences were recognised to cover the fees for the performance right organizations and collecting societies and similar organizations. The sales figures of the previous business years and the expected fee were used to determine the licence provision.

Major uncertainties relate to the actual warranty expenses incurred and related outflow of resources whether in cash or exchange material. Furthermore, the calculation of potential license payments is based on assumptions derived from current discussions with licensors and expected calculation schemes. The outflow of resources will be short-term as soon as the underlying calculation schemes are finalised between the parties involved.

18 Financial instruments and risk management

18.1 Financial instruments

The following table provides the carrying amounts and fair values of all financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value. The fair values (MTM) are calculated on the basis of stochastic models taking into account the discounted expected future cash flows of the reciprocal payment obligations as of the measurement date.

Financial instruments	Note	Mandatorily at FVTPL - others	Financial assets at amortised costs	Other financial liabilities	Total	Fair Value
		kEUR	kEUR	kEUR	kEUR	kEUR
Balance as of 31.12.2020						
1. Trade and other receivables	11		19,128		19,128	n/a
2. Cash	12		9,079		9,079	n/a
Financial assets not measured at fair value		**0**	**28,207**	**0**	**28,207**	**n/a**
1. Secured bank loans	15			9,265	9,265	n/a
2. Unsecured bank loans	15			5,487	5,487	n/a
3. Vendor loans	15			43,020	43,020	n/a
4. Trade and other payables	16			33,880	33,880	n/a
Financial liabilities not measured at fair value		**0**	**0**	**91,652**	**91,652**	**n/a**
1. Forward exchange contracts used for economic hedging	16	1,175			1,175	1,175
Financial liabilities measured at fair value		**1,175**	**0**	**0**	**1,175**	**1,175**
As of 31.12.2019						
1. Trade and other receivables	11		17,826		17,826	n/a
2. Cash	12		6,849		6,849	n/a
Financial assets not measured at fair value		**0**	**24,675**	**0**	**24,675**	**0**
1. Secured bank loans	15			3,673	3,673	n/a
2. Unsecured bank loans	15			3,827	3,827	n/a
3. Vendor loans	15			40,585	40,585	n/a
4. Put liability	15			10,147	10,147	n/a
5. Trade and other payables	16			21,939	21,939	n/a
Financial liabilities not measured at fair value		**0**	**0**	**80,172**	**80,172**	**n/a**
1. Forward exchange contracts used for economic hedging	16	97			97	97
Financial liabilities measured at fair value		**97**	**0**	**0**	**97**	**97**
As of 12.07.2019						
1. Cash	12		13		13	n/a
Financial assets not measured at fair value		**0**	**13**	**0**	**13**	**n/a**

In accordance with IFRS 7.29, the Group does not disclose the fair values of financial instruments if the carrying amounts of financial assets or liabilities are a reasonable approximation of the fair values.

The fair value of forward exchange contracts used for economic hedging (TARF), based on Level 2 of the fair value hierarchy, is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

If reclassifications to other levels of the measurement hierarchy are necessary, they are made at the end of the fiscal year in which the event that requires the reclassification occurs. There were no reclassifications for all periods.

18.2 Financial risk management

A. VI's managing directors have overall responsibility for the establishment and oversight of A. VI's risk management framework. The managing directors are also responsible for developing and monitoring its risk management policies. Leopold Walde and Dr. Björn-Eric Förster are not involved in the operating activities of Boxine Group and have internally delegated the responsibilities for risk management in Boxine Group to the managing directors of Boxine Group

A. VI's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. A. VI, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The company is currently adjusting internal risk management and internal controls processes to be compliant with the requirements of a public company. This involves a detailed documentation of processes, controls implemented and related management testing. Where necessary, processes are adjusted and additionally controls are implemented. This process is expected to be materially completed until year-end 2021.

A. VI's main financial liabilities include trade payables and loans and borrowings consisting of secured and unsecured bank loans as well as lease liabilities. The primary purpose of these financial liabilities is to finance A. VI's operations and provide guarantees to support its operations. Furthermore, the Group has other payables and cash directly related to its business activities. A. VI is mainly exposed to liquidity risk as well as low credit and market risk.

18.2.1 Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's maximum credit exposure is represented by the carrying amounts of financial assets deducted by the Company's insurances for specific assets. The Company monitors its risk regularly.

Expected credit loss assessment for counterparties

The Company allocates each exposure to a credit risk based on data that is determined to be predictive of the risk of loss.

The maximum credit risk is presented in the following table:

Maximum credit risk of financial assets	**31.12.2020**	**31.12.2019**	**12.07.2019**
	kEUR	kEUR	kEUR
Trade receivables	5,521	3,665	0
Other financial assets	2,278	772	0
Cash	9,079	6,849	13

Other financial assets mainly reflect deposits and receivables from payment providers for which the risk of default is low. No material impairment losses for other financial assets were therefore identified for any of the reported periods.

Cash mainly consist of bank balances. The corresponding creditworthiness is also monitored regularly. Due to the good credit rating of the banks, the cash have a very low risk of default. No material impairment losses were therefore identified for any of the reported periods.

For trade receivables, the Company applies the so-called "simplified approach" and recognises the expected credit losses over the entire remaining term already upon addition. Under the simplified approach, the Company determines the expected credit losses by category of the trade receivables, taking into account historical default rates on the basis of historical default data from the last financial year and taking into account forward-looking macroeconomic indicators.

The Company differentiates between receivables from businesses and receivables from individual customers. For the latter, no expected credit losses were recognised. For receivables from businesses the Company has taken out an insurance for multiple customers. Therefore, not all receivables from businesses are taken into account for the maximum credit risk exposure.

A bad debt provision is recognised on an individual basis under the simplified approach if one or more events with an adverse effect on the debtor's credit rating have occurred. These events are, among others, payment delays, an impending insolvency or concessions by the debtor due to payment difficulties. Trade receivables are written off directly when their recoverability is no longer reasonably expected. This is the case, for example, when the debtor is determined to be insolvent.

Expected credit loss on trade receivables relate only to contracts with customers and have developed as follows:

	Expected credit loss
	kEUR
Balance as of 01.01.2020	57
Bad debt on trade receivables recognised through profit and loss	19
Balance as of 31.12.2020	**76**

	Expected credit loss
	kEUR
Balance as of 12.07.2019	0
Bad debt on trade receivables acuired through a business combination	46
Bad debt on trade receivables recognised through profit and loss	10
Balance as of 31.12.2019	**57**

Credit risk	**Weighted-average loss rate**	**Gross carrying amount**	**Loss allowance**	**Net carrying amount**
31.12.2020	in %	kEUR	kEUR	kEUR
Current (not past due)	0.79%	4,303	34	4,270
1-30 days past due	0.96%	246	2	244
31-60 days past due	1.73%	86	1	85
61-90 days past due	3.30%	397	13	384
More than 90 days past due	5.12%	488	25	463
Total	**1.37%**	**5,521**	**76**	**5,445**

Credit risk	**Weighted-average loss rate**	**Gross carrying amount**	**Loss allowance**	**Net carrying amount**
31.12.2019	in %	kEUR	kEUR	kEUR
Current (not past due)	0.79%	2,675	21	2,654
1-30 days past due	1.00%	200	2	198
31-60 days past due	1.80%	70	1	69
61-90 days past due	3.43%	323	11	312
More than 90 days past due	5.33%	397	21	376
Total	**1.54%**	**3,665**	**57**	**3,609**

18.2.2 Liquidity Risk

Liquidity risk is the risk that A. VI will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

A. VI aims to maintain the level of its cash at an amount in excess of expected cash outflows on financial liabilities.

Exposure to liquidity risk

The following table shows the remaining contractual maturities of A. VI's financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments:

Liquidity risk	Carrying amount	Total	< 1 years	1-5 years	More than 5 years	Interest rate
	kEUR	kEUR	kEUR	kEUR	kEUR	
Balance as of 31.12.2020						
Secured bank loans	9,265	**9,637**	9,637			3.75%-4.95%
Unsecured bank loan	5,487	**5,734**	5,734			4.5%
Vendor loan	43,020	**44,800**	44,800			6%
Lease liabilities	477	**568**	151	193	224	
Trade and other payables	33,880	**33,880**	33,880			
Forward exchange contracts used for economic hedging	1,175	**1,175**	1,175			
Total	**93,304**	**95,794**	**95,377**	**193**	**224**	
As of 31.12.2019						
Secured bank loans	3,673	**3,855**	3,855			4.5%-4.95%
Unsecured bank loan	3,827	**4,017**	4,017			4.966%
Vendor loan	40,585	**44,800**		44,800		6%
Lease liabilities	222	**232**	130	102	—	
Trade and other payables	21,939	**21,939**	21,939			
Put Liability	10,147	**10,147**	10,147			
Forward exchange contracts used for economic hedging	97	**97**	97			
Total	**80,491**	**85,087**	**40,185**	**44,902**	**0**	
As of 12.07.2019						
Secured bank loans	—	**—**				
Unsecured bank loan	—	**—**				
Vendor loan	—	**—**				
Loans from related parties	—	**—**				
Lease liabilities	—	**—**	—	—	—	
Trade and other payables	—	**—**				
Put Liability	—	**—**				
Interest rate swaps used for hedging	—	**—**				
Forward exchange contracts used for hedging	—	**—**				
Total	**0**	**0**	**0**	**0**	**0**	

A. VI is exposed to liquidity risks, if the financial covenants for the secured and unsecured bank loans are not met. During the preparation period, an extension of the credit lines was agreed with the financing banks, as well as a conditional waiver of extraordinary termination on the part of the banks after non-compliance with agreed financial covenants.

A. VI has also implemented a daily cash reporting to ensure a current view over the short-term liquidity compared to planned cash outflows.

The interest payments for the secured bank loans in the table above reflects the interest rate at the reporting date. The interest rate may change if the market interest rates change as well as a specific leverage ratio will not be maintained.

18.2.3 Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect A. VI's income or the value of its holdings of financial instruments. The financial instruments affected by market risk essentially comprise of financial liabilities.

Interest rate risk

In general, interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. With regard to A. VI, certain recognised loans and borrowings have interest rates based on variable parameters.

The following table shows the fixed-interest or non-interest-bearing liabilities and the variable interest-bearing liabilities:

Carrying amounts of financial liabilities bearing interest in kEUR	31.12.2020		31.12.2019		12.07.2019	
	Fixed-interest or non-interest-bearing	Variable interest rate	Fixed-interest or non-interest-bearing	Variable interest rate	Fixed-interest or non-interest-bearing	Variable interest rate
Loans and borrowings	43,020	14,752	40,585	7,500		

The sensitivity to interest rates is as follows for the secured bank loan:

		Loans and borrowings (+100 BP)	Loans and borrowings (-100 BP)
		kEUR	kEUR
Effects on profit before tax			
	31.12.2020	217	-217
	31.12.2019	181	-181
	12.07.2019	0	0

Currency risk

A. VI is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which loans and borrowings and trade payables are denominated and the respective functional currency of A. VI. The functional currency of A. VI is Euro. Revenues are partly denominated in USD and GBP, while most of revenue is still generated in EUR. Procurement is partly denominated in USD for key suppliers (e.g. for tonies) and some IT services utilised.

The following table shows A. VI's exposure to currency risk:

	31.12.2020			31.12.2019			12.07.2019		
Market risk	**kEUR**	**k$**	**k£**	**kEUR**	**k$**	**k£**	**kEUR**	**k$**	**k£**
Trade receivables	—	4,695	872	—	—	478	—	—	—
Secured bank loans	1	1,069	972	5	2	296	—	—	—
Trade payables	—	-6,268	-215	—	-6,483	-115	—	—	—
Net exposure	**1**	**-504**	**1,629**	**5**	**-6,481**	**659**	**0**	**0**	**0**

Forward exchange contracts amounting to kEUR 1,175 (31.12.19: kEUR 97) are used by the Group to secure against currency risks from purchases in USD.

The following significant exchange rates have been applied:

	Average rate		Exchange rate as of		
	2020	**2019**	**31.12.2020**	**31.12.2019**	**12.07.2019**
$	1.1422	1.1074	1.2170	1.1234	1.1151
£	0.8897	0.8787	0.9062	0.8508	0.9126

In 2020 foreign currency translation resulted in income of kEUR 1,667 (2019: kEUR 427) and expenses of kEUR 1,600 (2019: kEUR 372).

The sensitivity to currencies is as follows for the balance sheet items:

Effects on profit before tax	USD Net exposure (+10%)	USD Net exposure (-10%)	GBP Net exposure (+10%)	GBP Net exposure (-10%)
	kEUR	kEUR	kEUR	kEUR
31.12.2020	38	-46	163	-200
31.12.2019	609	-744	95	-116
12.07.2019	0	0	0	0

Other market risks

A. VI is not significantly exposed to other market risks.

19 Revenue

The following tables present the revenue from contracts with customers disaggregated by primary geographical market and major products.

Revenue from contracts with customers	01.01.2020-31.12.2020	12.07.2019-31.12.2019
	kEUR	kEUR
Primary geographical markets		
DACH	125,967	44,314
UK	5,847	1,411
US	2,759	0
Total	**134,573**	**45,725**
Major products		
Starterset	43,426	16,397
Content Tonies	83,466	25,701
Creative Tonies	3,765	1,709
Other (e.g. Accessories and Mytonies)	3,916	1,918
Total	**134,573**	**45,725**

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with a customer. A. VI recognised revenue when it transfers control over a good to a customer. Relevant return options are considered where applicable and material.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Type of product	Nature and timing of satisfaction of performance obligation, including significant payment terms	Revenue recognition under IFRS 15
Startersets, Tonies and Accessories	B2B: Since A. VI Holding GmbH mainly uses the incoterm DDP, customers obtain control of the product when they receive it. Invoices are generated and revenue is recognised at that point in time. Invoices are usually payable within 30-90 days. B2C: Customers obtain control of the product when they receive it. Invoices are directly payable depending on customers choice of payment method.	Revenue is recognised when the customer receives the product. Marketing subsidies and customer bonuses as well as any discounts are deducted from revenue

Type of product	Nature and timing of satisfaction of performance obligation, including significant payment terms	Revenue recognition under IFRS 15
Mytonies	Invoices are generated and revenue is recognised at the point in time of the download of items from the platform invoices are usually payable immediately as credit cards. Paypal or direct transfers are being used.	Revenue is recognised when the download is performed

20 Cost of materials and licensing costs

Cost of materials can be broken down as follows:

Cost of materials	01.01.2020-31.12.2020	12.07.2019-31.12.2019
	kEUR	kEUR
1. Raw materials and consumables used	74,200	13,488
2. Purchased services	1,284	317
Total	**75,484**	**13,805**

The costs for purchased services mainly consist of quality control services.

The licensing costs reported separately in the statement of profit and loss comprise expenses for various licenses and concessions in the amount of kEUR 23,086 (2019: kEUR 7,334).

21 Share-based payments

Starting in March 2020 the Group has implemented a share based payment compensation scheme for eligible employees in the form of virtual stock options based on a future potential profit based on an exit price of the business minus the initial investment and transaction cost. The scheme is entirely cash-settled and is intended to improve the long-term employee-retention.

The scheme has a vesting period of 48 to 60 months and cliff periods between 6 and 24 months. It includes a fixed percentage of a potential result or a combined fixed and variable percentage based on defined performance conditions based on quantities sold.

As of 31 December 2020, the scheme involves 14 employees of the C and D- management-level representing 2.1% (fixed) and up to 0.4% (variable) of the virtual shares. As of 31 December 2020, no vesting has taken place.

Assumptions used	2020
Expected average volatility (in %)	40.34
Risk free rate (in %)	-0.75
Expected Duration (in years)	4.72

In 2020 a total of kEUR 3,472 was recognised as personnel expenses for these employees. The fair value has been calculated using the Black-Scholes model.

22 Personnel expenses

In the financial year 2020 A. VI employs on average 205 (2019: 116) employees.

Employee benefits expense include the following items:

Personnel expenses	01.01.2020-31.12.2020	12.07.2019-31.12.2019
	kEUR	kEUR
1. Wages and salaries	10,314	1,512
2. Social security contributions	1,854	367
3. Cash-settled share-based payments	3,472	0
Total	**15,640**	**1,879**

23 Other income

Other income includes the following:

Other income	01.01.2020 - 31.12.2020	12.07.2019 - 31.12.2019
	kEUR	kEUR
1. Non-period income	393	62
2. Reversal of provisions (other non-period income)	115	165
3. Other income	60	10
Total	**568**	**237**

24 Other expenses

Other expenses include the following:

Other expenses	01.01.2020 - 31.12.2020	12.07.2019 - 31.12.2019
	kEUR	kEUR
1. Logistic costs	11,542	4,046
2. Marketing and sales costs	8,306	617
3. Insurance and contributions	4,958	967
4. Legal, audit and consulting fees	4,030	1,026
5. IT costs	3,386	264
6. Administration costs	1,206	269
7. Non-period expenses	656	1,529
8. Warranties	439	921
9. Miscellaneous other operating expenses	1,260	189
Total	**35,783**	**9,828**

Other expenses include research and development costs of kEUR 1,835 (2019: kEUR 373).

25 Financial income and finance cost

Financial results are broken down as follows:

Finance income	01.01.2020 - 31.12.2020	12.07.2019 - 31.12.2019
	kEUR	kEUR
Other interest income	1	0
Total	**1**	**0**

Finance cost	01.01.2020 - 31.12.2020	12.07.2019 - 31.12.2019
	kEUR	kEUR
Interest expense from related party loans	2,435	587
Interest expense from current accounts	773	265
Interest expense from leasing	14	3
Interest expense from factoring	181	67
Other interest expense	69	39
Total	**3,472**	**961**

All finance income and cost results from financial assets and liabilities not measured at FVTPL.

Interest from loans

For information about A. VI’s exposure to interest rates please refer to note 18.2.3.

Transaction costs related to the secured bank loan

For information about the transaction costs related to the secured bank loan refer to note 15.

26 Income taxes

Amounts recognised in profit or loss

The amounts recognised in profit or loss are as follows:

Income tax	01.01.2020 - 31.12.2020	12.07.2019 - 31.12.2019
	kEUR	kEUR
Current year tax expense		
Current tax prior year from tax loss carry back	377	-3,283
Changes in estimates related to prior years	-53	3,571
Total current year tax expense	**324**	**288**
Deferred tax income		
Origination and reversal of temporary differences and tax loss carry forwards (expense)	2,749	5,704
Total Deferred tax income	**2,749**	**5,704**
Tax income on continuing operations (expense)	**3,073**	**5,992**

In 2020 the applicable income tax rate was 31.225% (2019: 31,225%).

The income tax liabilities amount to kEUR 807 (2019: kEUR 1,222).

IFRIC 23 is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. In this context, the Group assumed that a taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so. Furthermore, the Group considered whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing. As a result, the Group does not see any material impact for the consolidated financial statements.

Reconciliation of effective tax rate

The reconciliation of effective tax rate is as follows:

Reconciliation of effective tax rate	01.01.2020 - 31.12.2020	12.07.2019 - 31.12.2019
	kEUR	kEUR
Earnings before tax from continuing operations	-21,273	-16,922
Expected tax using the company´s tax rate (31.225%)	**6,642**	**5,284**
Current-year tax losses for which no deferred tax asset is recognised (tax losses all companies except Boxine GmbH)	-1,866	632
Tax effect from tax losses transferred to prior periods	324	288
Non-recorded DTA of IFRS 2 adjustments	-1,084	0
Non-deductiable expenses / Trade tax adjustments	-241	-85
Tax rate difference US/Germany	0	0
Other	-702	-127
Effective tax income	**3,073**	**5,992**
Profit (loss) for the period	**-18,200**	**-10,930**

Movement in deferred tax balances

Deferred tax assets and liabilities are attributable to the following items:

Deferred tax assets and liabilities	31.12.2020	Recognised in profit or loss	01.01.2020
	kEUR	kEUR	kEUR
1. Other Provision	138	0	138
2. Trade receivables	**7**	**7**	**0**
3. Inventories	922	-3,224	4,146
4. Leasing	34	34	0
5. Hedging transactions	367	337	30
6. Tax loss carryforwards	2,887	2,887	0
Deferred tax assets	**4.355**	**41**	**4,314**
7. Intangible assets	37,274	2,708	39,982
Deferred tax liabilities	**37,274**	**2,708**	**39,982**
Total	**32,919**	**2,749**	**35,668**

Deferred tax assets and liabilities	31.12.2019	Recognised in profit or loss	Acquired through Business Combination	12.07.2019
	kEUR	kEUR	kEUR	kEUR
1. Other Provision	138	0	138	
2. Inventories	4,146	98	4,048	
3. Hedging Transactions	30	30	0	
Deferred tax assets	**4,314**	**128**	**4,186**	**0**
4. Intangible assets	39,982	896	40,878	
5. Trade receivables	0	208	208	
6. Inventories	0	4,472	4,472	
Deferred tax liabilities	**39,982**	**5,576**	**45,558**	**0**
Total	**35,668**	**5,704**	**41,372**	**0**

Unrecognised deferred tax assets

As of December 31, 2020, deferred tax assets in respect of the recognition of a liability for share-based payments amounting to kEUR 1,084 (31.12.2019: kEUR 0, 12.07.2019: kEUR 0) have not been recognised.

Deferred tax assets have only been recognised for tax losses resulting from Boxine GmbH. For all other entities, the effect of tax losses amounting to kEUR 1,866 (31.12.2019: kEUR -632, 12.07.2019: kEUR 0) have not been recognised.

27 Related parties

A. Parent and ultimate controlling party

The current shareholders of A. VI are the following entities, none of which is a controlling party from its shareholding:

AH Beteiligung 6 GmbH & Co. KG	18.44%
Armira Parallel Pool(A) GmbH & Co. KG	6.05%
Armira Parallel Pool(B) GmbH & Co. KG	1.63%
Armira (Strategy B) Active Invest GmbH & Co. KG	0.39%
Armira (Strategy C) Active Invest GmbH & Co. KG	0.39%
Armira (Strategy E) Active Invest GmbH & Co. KG	0.78%
Armira (Strategy F) Active Invest GmbH & Co. KG	0.29%
Armira (Strategy G) Active Invest GmbH & Co. KG	16.69%
Armira (Strategy I) Active Invest GmbH & Co. KG	0.78%
Armira (Strategy J) Active Invest GmbH & Co. KG	0.78%
Armira (Strategy L) Active Invest GmbH & Co. KG	0.39%
Armira (Strategy M) Active Invest GmbH & Co. KG	0.39%
Armira (Strategy N) Active Invest GmbH & Co. KG	0.74%
Armira (Strategy O) Active Invest GmbH & Co. KG	0.78%
Armira (Strategy P) Active Invest GmbH & Co. KG	0.58%

Armira (Strategy Q) Active Invest GmbH & Co. KG	0.39%
Armira (Strategy R) Active Invest GmbH & Co. KG	0.97%
Armira Jebsen Active Invest GmbH & Co. KG	2.66%
Armira F&F 2019-II GmbH & Co. KG	15.11%
Armira F&F 2019-III GmbH & Co. KG	8.36%
Armira F&F 2019/20 GmbH & Co. KG	1.04%
Panorama Growth Partners II, LP	6.64%
ELQ Lux Holding S.à.r.l.	3.69%
FLA Invest GmbH & Co., KG	3.54%
LuxCo Active Invest GmbH & Co. KG	8.14%
PE I Invest GmbH & Co. KG	0.39%

Please note that the individual share values have been rounded to the second decimal place and that this results in a marginal rounding difference in total.

A. VI is currently not included in any consolidated financial statements at a level of its shareholders. Armira Management GmbH or Armira Administration GmbH are acting as a general partner in the Armira investors. None of the limited partners have a shareholding of more than 25%.

B. Transactions with key management personnel

The managing directors Leopold Walde and Dr. Björn-Eric Förster – who are not involved in the operating business – are considered as key management personnel as well as the founders of Boxine GmbH, Patric Faßbender and Marcus Stahl, which operate as managing directors at the level of Boxine GmbH and A. VI Beteiligungs GmbH.

Key management personnel compensation

Key management personnel compensation comprised the following.

Key management personnel compensation	01.01.2020 - 31.12.2020	12.07.2019- 31.12.2019
	kEUR	kEUR
Short-term employee benefits	532	103
Total	**532**	**103**

Compensation of the Group's key management personnel includes salaries and non-cash benefits. Leopold Walde and Dr. Björn-Eric Förster did not receive any compensation from the Group.

Other key management transactions

The aggregate value of transactions and outstanding balances related to key management personnel and entities over which they have control were as follows.

	01.01.2020 - 31.12.2020		12.07.2019- 31.12.2019		
	Transaction volume		Transaction volume		
Related parties	Interest expenses	Purchases of goods and services	Interest expenses	Dividends	Purchases of goods and services
	kEUR	kEUR	kEUR	kEUR	kEUR
Transactions with Höllenhunde GmbH	-109		-26	-136	
Transactions with PIXIPOP		410			151
Total	**-109**	**410**	**-26**	**-136**	**151**

	31.12.2020		31.12.2019		12.07.2019	
	Amounts outstanding		Amounts outstanding		Amounts outstanding	
Related parties	Receivables	Payables	Receivables	Payables	Receivables	Payables
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Transactions with Höllenhunde GmbH		1,919		11,957		0
Transactions with PIXIPOP	–	21	–	70	–	0
Total	**0**	**1,940**	**0**	**12,027**	**0**	**0**

PIXIPOP Faßbender Kommunikations-Design & Illustration is controlled by Nina Fassbender, the wife of Boxine GmbH Co-CEO Patric Fassbender and involved in the design of the Tonies. Compensation is paid as a fixed amount per item sold.

In addition to these operating transactions a contractual share purchase option between the purchaser A. VI Holding GmbH and Höllenhunde GmbH was arranged in 2019 in the context of the acquisition of Boxine Group. The put liability resulting from this transaction amounted to kEUR 10,147 at December 31, 2019 and has been exercised resulting in an total payment of kEUR 10,420 to Höllenhunde GmbH in H1/2020. For further information please refer to note 13.

28 Events after the reporting period

The following subsequent events occurred after the end of the 2020 fiscal year that could have a significant impact on A. VI future results of operations, financial position, and net assets.

In March 2021, a subsidiary of Boxine GmbH was founded in France to drive further international expansion. Initial sales to customers were already made in September 2021.

The group has a financing need which is typical for a group that expects an ongoing strong growth over the next years.

On August 30, 2021, a business combination agreement was signed between A. VI and 468 SPAC I SE, Luxembourg, Luxembourg, which is traded on the Frankfurt Stock Exchange, aimed at a merger of A. VI and 468 SPAC I SE. Closing of the transaction is planned for the fourth quarter of 2021. It is intended to provide EUR 170m of primary proceeds (net of transaction costs) to the business of A. VI and its subsidiaries after the merger to invest into international expansion and to repay outstanding debt. As part of the transaction, an amendment of the company's existing share-based payment compensation scheme in the form of virtual stock options is being implemented in the fourth quarter of 2021 to make it suitable for public capital markets.

On September 30, 2021 a Vendor Loan between the subsidiary A. VI Beteiligungs GmbH and various previous shareholders as part of a delayed purchase price consideration in context of the acquisition of Boxine GmbH was due. Out of a total loan amount of mEUR 40 (or mEUR 44.8 including accrued interest), a total of mEUR 4.0 (or mEUR 4.4 including accrued interest) was repaid. The remainder was prolonged. For a majority of this amount outstanding the maturity was extended to the earlier of (i) closing of the business combination agreement with 468 SPAC I SE or (ii) end of February 2022. An amount of mEUR 1.4 has a maturity until December 31, 2021, while an amount of mEUR 16.8 has a maturity until March 31, 2022.

On July 8, 2021 and on September 22, 2021, a subordinate credit agreement of mEUR 30 and mEUR 7 respectively, was concluded between the subsidiary A VI Beteiligungs GmbH and Santo Holding (Deutschland) GmbH (mEUR 27 and mEUR 6.3 respectively) and another indirect shareholder (mEUR 3 and mEUR 0.7 respectively). Maturity of the credit agreement is June 30, 2022. Its purpose is to provide bridge funding until further equity funding to finance further international expansion is available (see business combination agreement with 468 SPAC I SE above) and to partially repay other debt due during the year (see Vendor Loan below). Santo Holding (Deutschland) GmbH is indirect shareholder in the company via its participation in Armira (Strategy G) Active Invest GmbH & Co. KG.

During 2021, various discussion with the banks providing working capital lines to Boxine GmbH took place. A loan agreement for mEUR 5 expiring on August 31, 2021, was prolonged until the end of the year 2021 with potential for further extension subject to the execution of the aforementioned 468 SPAC I SE transaction and the capital injection described therein.

Furthermore, after a covenants breach, covenants for parts of the bank lines were re-discussed and modified so that on level of the sub-group Boxine GmbH the sum of subordinated shareholder loans and equity under local GAAP amounts to at least mEUR 7 at all times.

If the merger of A. VI and 468 SPAC I SE cannot be completed as contractually agreed due to a material adverse effect -especially if the shareholders do not approve the transaction-, certain shareholders of A. VI have indicated their interest to inject further equity to the Group. In addition, based on discussions with potential capital providers, A.VI has had during the year, it seems likely that the Group could also obtain debt financing. Altogether it is expected that the Group will be able to cover its financing needs at least until the end of 2022. Insofar, if the merger cannot be completed as agreed, the Group's ability as a going concern is dependent on the continuous financing through its shareholders and debt providers.

However, the SPAC deal has not yet been closed and no contractual agreements are currently in place with shareholders and potential debt providers, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Düsseldorf, October 11, 2021

Management

Leopold Walde Dr. Björn-Eric Förster

Independent Auditors' Report

To the Shareholders of A. VI Holding GmbH, Hamburg

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of A. VI Holding GmbH, Hamburg ("the Company"), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Germany, and we have fulfilled our other ethical 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 opinion.

Material Uncertainty Related to Going Concern

We draw attention to Notes 2.3 "Going Concern" and Note 28 "Events after the reporting period" in the consolidated financial statements, in which the legal representatives describe that:

- unchanged to prior years, the group continues to have a financing need which is typical for a group that expects an ongoing strong growth over the next years.
- on 30 August 2021, a business combination agreement was signed between A. VI and 468 SPAC I SE, Luxembourg, Luxembourg, which is traded on the Frankfurt Stock Exchange, aimed at a merger of A. VI and 468 SPAC I SE. Closing of the transaction is planned for the fourth quarter of 2021. It is intended to provide EUR 170m of primary proceeds (net of transaction costs) to the business of A. VI and its subsidiaries after the merger to invest into international expansion and to repay outstanding.
- on 30 September 2021 a Vendor Loan between the subsidiary A. VI Beteiligungs GmbH and various previous shareholders as part of a delayed purchase price consideration in context of the acquisition of Boxine GmbH was due. Out of a total loan amount of EUR 40m (or EUR 44.8m including accrued interest), a total of EUR 4,0m (or EUR 4,4m including accrued interest) was repaid. The remainder was prolonged. For a majority of this amount outstanding the maturity was extended to the earlier of (i) closing of the business combination agreement with 468 SPAC I SE or (ii) end of February 2022. An amount of EUR 1,4m has a maturity until 31 December 2021, while an amount of EUR 16,8m has a maturity until 31 March 2022.
- on July 8, 2021 and on 22 September 2021, a subordinate credit agreement of EUR 30m and EUR 7m respectively, was concluded between the subsidiary A VI Beteiligungs GmbH and Santo Holding (Deutschland) GmbH (EUR 27m and EUR 6,3m respectively) and another indirect shareholder (EUR 3m- and EUR 0,7m respectively). Maturity of the credit agreement is 30 June 2022. Its purpose is to provide bridge funding until further equity funding to finance further international expansion is available (see business combination agreement with 468 SPAC I SE above) and to partially repay other debt due during the year (see Vendor Loan above). Santo Holding (Deutschland) GmbH is indirect shareholder in the company via its participation in Armira (Strategy (G) Active Invest GmbH & Co. KG.
- during the adjusting period in 2021, various discussion with the banks providing working capital lines to Boxine GmbH took place. A loan agreement for EUR 5m expiring on 31 August 2021, was prolonged until the end of the year 2021 with potential for further extension subject to the execution of the aforementioned 468 SPAC I transaction and the capital injection described therein.

- after a covenants breach, covenants for parts of the bank lines were re-discussed and modified so that on level of the sub-group Boxine GmbH the sum of subordinated shareholder loans and equity under local GAAP amounts to at least EUR 7m at all times.

The legal representatives state that if the merger of A. VI and 468 SPAC I SE cannot be completed as contractually agreed due to a material adverse effect -especially if the shareholders do not approve the transaction-, the shareholders of A. VI indicated their interest to inject further equity to the Group. In addition, based on discussions A.VI has had during the year with potential capital providers, it seems likely that the Group could also obtain debt financing. Altogether, it is expected that the Group will be able to cover its financing needs at least until the end of 2022. Insofar, if the merger cannot be completed as agreed, the Group's ability as a going concern is dependent on the continuous financing through its shareholders and debt providers.

We draw attention to Note 2.3 "Going Concern" and Note 28 "Events after the reporting period" in the group financial statements, which describes that these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors'

report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Düsseldorf, 11 October 2021 KPMG AG

Wirtschaftsprüfungsgesellschaft

Jessen	Ramsauer
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Audited consolidated financial statements of Boxine GmbH prepared in accordance with German Commercial Code (*Handelsgesetzbuch*) as of and for the financial year ended December 31, 2019

1.1 Consolidated balance sheet

ASSETS

		EUR	Reporting year EUR	EUR	Prior year EUR
A.	**Fixed assets**				
I.	Intangible assets		4,438,099.66		5,016,965.81
	Industrial property rights and similar rights and assets as well aslicences to such rights and				
II.	Property, plant and equipment				
1.	Technical equipment and machinery	1,478,139.59			1,097,874.00
2.	Other equipment, operating and office	329,129.32	1,807,268.91		167,898.00
III.	Financial assets				
	Investments		—	6,245,368.57	112.56
B.	**Current assets**				
I.	Inventories				
1.	Raw materials and supplies	2,643,972.17			1,996,266.49
2.	Work in process	1,075,455.06			629,928.02
3.	Finished goods and merchandise	8,973,401.91	12,692,829.14		11,448,895.89
II.	Receivables and other assets				
1.	Trade receivables	17,298,476.80			13,622,742.92
2.	Receivables from affiliated companies	—			366,383.70
3.	Other assets	1,016,280.34	18,314,757.14		349,327.61
III.	Cash and cash equivalents		807,281.81	31,814,868.09	2,529,103.48
C.	**Prepaid expenses**			913,554.03	71,216.43
D.	**Deferred tax assets**			4,283,450.04	—
				43,257,240.73	37,296,714.91

EQUITY AND LIABILITIES

		EUR	Reporting year EUR	EUR	Prior year EUR
A.	**Equity**				
I.	Subscribed capital		64,097.00		64,097.00
II.	Capital reserve		9,008,007.14		9,008,007.14
III.	Foreign currency translation differences		-55,613.21		—
IV.	Retained earnings/accumulated deficit		-4,341,058.84		-5,802,591.49
V.	Net income/loss for the year		-5,778,697.84	-1,103,265.75	1,782,593.99
B.	**Provisions**				
1.	Tax provisions	1,200,513.00			17,895.00
2.	Other provisions	19,234,114.35		20,434,627.35	4,005,295.54
C.	**Liabilities**				
1.	Liabilities to banks	7,499,835.49			9,897,237.22
2.	Trade payables	12,434,674.88			15,519,664.71
3.	Liabilities to affiliated companies	—			15,389.67
4.	Liabilities to shareholders	1,451,185.52			1,378,821.14
5.	Other liabilities	2,540,183.24		23,925,879.13	1,410,304.99
	thereof for taxes: 2,539,736.36 (1,210,804.48)				
	thereof for social security: 7,268.90 (4,818.59)				
				43,257,240.73	37,296,714.91

1.2 Consolidated income statement

		Financial year		Prior year
		EUR	EUR	EUR
1.	Revenue		101,653,588.02	60,528,316.31
2.	Increase or decrease in finished goods and work in process		-2,029,966.94	11,236,622.14
3.	Other own work capitalised		—	732,261.61
3.	Other income		847,963.94	98,810.90
4.	Cost of materials			
	a) Cost of raw materials, supplies and purchased goods	-54,857,902.19		-47,690,348.17
	b) Cost of purchased services	-742,373.48	-55,600,275.67	-607,558.25
5.	Personnel expenses			
	a) Wages and salaries	-5,535,905.20		-3,033,320.88
	b) Social security, pension and other benefits	-1,204,591.19	-6,740,496.39	-661,754.18
	thereof for pensions: EUR 39,456.89			
6.	Amortisation, depreciation and write-downs of intangible assets and property, plant and equipment		-1,366,332.14	-1,116,801.80
7.	Other operating expenses		-44,439,500.90	-16,837,048.92
8.	Other interest and similar income		—	9,252.09
9.	Interest and similar expenses		-1,204,469.93	-857,941.86
10.	Income taxes		3,100,792.17	-17,895.00
11.	Earnings after taxes		-5,778,697.84	1,782,593.99
12.	Net income/loss for the financial year		**-5,778,697.84**	**1,782,593.99**

1.3 Consolidated statement of cash flow

		Reporting year	Prior year
1.	Consolidated profit/loss for the period including share of profit of non-controlling interests	-5,778,697.84	1,782,593.99
2. +/-	Depreciation/amortisation/(reversal of) impairment losses on fixed assets	1,366,332.14	1,116,801.80
3. +/-	Increase/decrease in provisions	15,228,818.81	3,736,813.26
4. +/-	Other non-cash expenses/income	2,999,624.65	0.00
5. -/+	Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	-7,719,829.29	-22,999,671.01
6. +/-	Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	-4,295,538.60	10,611,450.09
7. -/+	Gain/loss on disposal of fixed assets	1,103,438.41	15,609.99
8. +/-	Interest expense/income	1,204,469.93	848,689.77
9. +/-	Income tax expense/income	-1,918,174.17	17,895.00
10. -/+	Income taxes paid	0.00	-17,895.00
11. =	**Cash flows from operating activities**	**2,190,444.04**	**-4,887,712.11**
12. -	Acquisition of intangible assets	-1,325,578.69	-2,498,921.38
13. -	Acquisition of property, plant and equipment	-1,105,478.36	-744,774.21
14. -	Acquisition of financial assets	0.00	-112.56
15. +	Interest received	0.00	9,252.09
16. =	**Cash flows from investing activities**	**-2,431,057.05**	**-3,234,556.06**
17. +	Proceeds from issue of share capital by shareholders of the Parent Company	0.00	500,111.04
18. +	Proceeds from issue of bonds and from loans and borrowings	0.00	10,315,590.97
19. -	Interest paid	-1,103,302.41	-857,941.86
20. =	**Cash flows from financing activities**	**-1,103,302.41**	**9,957,760.15**
	Cashflow aus der laufenden Geschäftstätigkeit	2,190,444.04	-4,887,712.11
	Cashflow aus Investitionstätigkeit	-2,431,057.05	-3,234,556.06
	Cashflow aus der Finanzierungstätigkeit	-1,103,302.41	9,957,760.15
21. +	**Net increase/decrease in cash and cash equivalents**	**-1,343,915.42**	**1,835,491.98**
22. +/-	Consolidation-related changes	-322,293.04	0.00
23. +/-	Effect of movements in exchange rates and remeasurements on cash held	-55,613.21	0.00
24. +	Cash and cash equivalents at the beginning of the period	2,529,103.48	693,611.50
25. =	**Cash and cash equivalents at the end of the period (sum of items 44-47)**	**807,281.81**	**2,529,103.48**

1.4 Consolidated equity reconciliation

	Subscribed capital	Capital reserve	Foreign currency translation differences	Retained earnings/ accumulated deficit brought forwards	Consolidated net income/loss	Total
	EUR	EUR		EUR	EUR	EUR
As at 1 Jan. 2019	64,097.00	9,008,007.14		-5,802,591.49	1,782,593.99	5,052,106.64
Foreign currency translation			-55,613.21			-55,613.21
Other changes				1,782,593.99	-1,782,593.99	—
Change in the scope of consolidation				-321,061.34		-321,061.34
Profit/loss for the period					-5,778,697.84	-5,778,697.84
As at 31 Dec. 2019	64,097.00	9,008,007.14	-55,613.21	-4,341,058.84	-5,778,697.84	-1,103,265.75

1.5 Notes to the consolidated financial statements

General information

The Parent Company of the Group is Boxine GmbH, Grafenberger Allee 120, 40237 Düsseldorf. The Company is registered in the Commercial Register of the Düsseldorf District Court, Section B, under no. 71733.

The consolidated balance sheet and the consolidated income statement are structured in accordance with the provisions specified in Sections 266 and 275 of the German Commercial Code [HGB], respectively.

Accounting policies are based on the statutory provisions set out in Sections 238 et seqq. and Sections 264 et seqq. HGB. In addition to this, the provisions of the German Limited Liability Companies Act [GmbHG] were observed. The German Accounting Standards (GAS) were also applied.

Preparation of the consolidated financial statements

These consolidated financial statements have been prepared in accordance with Sections 290 et seqq. HGB and in accordance with the relevant provisions of the GmbHG. In addition to the Parent Company, the following companies are included in the consolidated financial statements:

Boxine Sales DAB GmbH, Düsseldorf, 100% shareholding (from 1 January 2018)
Boxine Productions GmbH, Düsseldorf, 100% shareholding (from 1 January 2018)
Boxine Development GmbH, Düsseldorf, 100% shareholding (from 1 January 2018)
Boxine UK Ltd., Bishop's Stortford, UK, 100% shareholding (from 1 January 2019)

A. VI Holding GmbH, Munich, prepares consolidated financial statements for the largest group of companies in which Boxine GmbH as sub-subsidiary is included. These consolidated financial statements are published in the German Federal Gazette [Bundesanzeiger].

Consolidation methods

All companies were included in the consolidated financial statements by way of full consolidation.
The following consolidation methods were applied in the financial year.

Uniform accounting

Uniform accounting policies have been applied in preparing the financial statements of consolidated companies.

Capital consolidation

The revaluation method in accordance with Section 301 HGB was used for the capital consolidation of all consolidated companies. The book value of the investment was compared with the fair value of the assets less liabilities at the date of acquisition.

Consolidation of intercompany accounts

Intercompany payables and receivables are eliminated pursuant to Section 303 (1) HGB by offsetting all receivables and liabilities between companies included in the consolidated financial statements at their nominal value. Any differences from foreign currency translation are recognised by the Group within consolidated equity as "foreign currency translation differences".

Elimination of intercompany profits

Unrealised gains arising from transactions within the Group were eliminated.

Consolidation of income and expenses

Revenue from intercompany sales and other intercompany income has been offset against the corresponding expenses, with the result that the consolidated income statement now generally only shows expenses and income from transactions with non-consolidated companies and external third parties. Any differences from foreign currency translation are recognised by the Group within consolidated equity as "foreign currency translation differences".

Foreign currency translation

The Parent Company and the German subsidiaries prepare their annual financial statements in EUR. The subsidiary in the United Kingdom prepares its annual financial statements in GBP. In accordance with Section 308a HGB, the equity of this company is translated into EUR using historical exchange rates as at the date of initial consolidation. All other balance sheet items are translated into EUR using the average spot exchange rate as at the balance sheet date. The items in the income statement are translated using the average spot exchange rates of the Group's financial year. Any exchange differences that occurred within consolidated equity are reported under the designation "foreign currency translation differences".

Deferred taxes

Deferred taxes are calculated pursuant to Section 274 and Section 306 HGB.

Uniform accounting policies

Interest on borrowed capital is generally not included for valuation.

Intangible assets acquired for a consideration are recognised at cost.

Provided the use of assets acquired for a consideration is limited in time, they are written down on a straight-line basis over their expected useful lives of three to seven years.

Property, plant and equipment are measured at cost less depreciation – where subject to depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, ranging from 3 to 10 years for technical equipment and machinery and 3 to 10 years for other equipment, operating and office equipment. Internally generated intangible assets are not capitalised.

Low-value assets costing up to EUR 800.00 are written off in full in the year of their acquisition.

Inventories are stated at the Group's cost. If the current market values are lower as at the balance sheet date, these lower values are recognised.

Impairment due to limited marketability of items is taken into account by means of write-downs. Write-downs are calculated by using the required expenses to restore the items to their full marketability.

Receivables and other assets are stated at cost. If a lower fair value arises as at the balance sheet date, this value is recognised.

Receivables denominated in foreign currency are valued at the European Central Bank's closing rate as at the balance sheet date.

Risks related to trade receivables are accounted for through appropriate specific and general allowances.

Cash and cash equivalents are recognised at nominal value. Reserves denominated in foreign currency are translated at the average spot exchange rate as at the reporting date.

Provisions are valued at the settlement amount deemed necessary based on prudent commercial judgement.

Liabilities are recognised at their settlement amount. Liabilities denominated in foreign currency are valued at the European Central Bank's closing rate as at the balance sheet date.

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

Expenses and income are recorded at nominal values.

Expenses and income denominated in foreign currency are translated into EUR at the European Central Bank's closing rate on the date of recognition.

Differences arising from the European Central Bank's closing rate used on the date of recognition and the rate used on payment of the foreign currency amount are recognised as exchange rate differences within the cost of materials, as transactions denominated in foreign currency are to be allocated to the cost of materials.

Explanatory notes on the balance sheet

Movements in individual items of fixed assets are shown in the attached statement of movements in fixed assets.

All trade receivables and other assets have a remaining term to maturity of up to one year.

Other provisions total KEUR 19,234 (PY: KEUR 4,005) and are broken down as follows:

Other provisions of the Group	2019 KEUR	2018 KEUR
Licences	17,162	3,492
Advertising allowance	705	235
Provision for warranty	693	
Customer bonuses	283	50
Leave provisions	118	118
Other personnel provisions	48	7
Financial statements and audit	35	55
Other provisions	190	48

Provisions for licences include a one-time provision recognised for disputed fees for prior years in the amount of KEUR 2,176 and for the current financial year in the amount of KEUR 1,845.

All liabilities are due within one year.

To provide cover for the liabilities to banks totalling KEUR 7,500, the following collateral was made available:

- Assignment of ownership of warehouse (with changing inventory) of Boxine Sales DAB GmbH

As at 31 December 2019, the Group has the following available credit lines:

Lender	Type of loan	Amount of credit line (EUR)	Interest rate in % per annum
Bankhaus Lampe	Current account - master	4,000,000.00	4.95%
Commerzbank	Current account / Guarantee	2,500,000.00	4.95%
Deutsche Bank	Current account - master	6,500,000.00	4.95%
National Bank	Current account - master	3,000,000.00	4.95%
Volksbank Düsseldorf / Neuss	Current account - master	1,500,000.00	4.95%

There are no further liabilities that are secured by liens or similar rights.

The Company is the holder of forward exchange contracts to hedge exchange rate risks, which oblige it to purchase US dollars at the fixed date and fixed exchange rate. The fair value of the concluded transactions amounted to KEUR -97 as at the balance sheet date.

The following statement shows the composition and development of deferred taxes.

Deferred taxes

Balance sheet item	Initial value / KEUR	Net value deferred taxes 31 Dec. 2019 / KEUR
Deferred tax assets		
Elimination of intercompany profits	13,275	4,145
Hidden liabilities	443	138
Total		**4,283**

The tax rate of deferred tax assets corresponds to the average German tax rate of 31.225%.

Other financial obligations are shown in the following table:

Future obligations arising from rental and lease agreements	KEUR
Due within one year	950
Due in one to five years	2,552
Due after more than five years	3,177
Total	**6,679**

Explanatory notes on the income statement

External sales by region are broken down as follows:

Germany	EUR 93.9 million
Remaining European Union	EUR 5.7 million
Rest of Europe	EUR 2.0 million
Other countries	./.

Social security costs of KEUR 112 relate to pensions and other benefits.

Other operating expenses mainly relate to the following items:

	KEUR
Licence fees	21,979
Distribution costs / warehouse costs	7,790
Advertising expenses	5,872
Insurance and contributions	1,956
EDP costs	1,261
Legal and advisory fees	727

Expenses for licences include the recognition of provisions for disputed fees in the amount of KEUR 4,021. Further, the derecognition of internally generated intangible assets in the amount of EUR 1 million was recorded in other operating expenses.

Explanatory notes on the statement of cash flows

Line 22: Consolidation-related changes relate to the first-time consolidation of Boxine UK Ltd.

Line 25: Cash and cash equivalents comprise the balance sheet item BIII under assets.

Significant events after the end of the financial year

Boxine Sales DAB GmbH, Boxine Productions GmbH and Boxine Development GmbH were merged into Boxine GmbH with effect from 1 January 2020.

Other disclosures

The total fee invoiced by the group auditor of KEUR 37 solely relates to audit services.

An average of 118 persons were employed in the Group and distributed as follows:

Employees within Group	Average number
Full-time employees, excluding senior staff	96.9
Part-time employees, excluding senior staff	19.1
Senior staff	2.0

There were no related party transactions that were not carried out at arm’s length conditions.

The Managing Directors of Boxine GmbH and its subsidiaries are:

- Patric Faßbender, Managing Director, Düsseldorf
- Marcus Stahl, Managing Director, Düsseldorf

With reference to Section 314 (3) sentence 2 in conjunction with Section 286 (4) HGB, the total remuneration of management is not disclosed.

Management has proposed that the net income of Boxine GmbH be carried forward to the following year.

Düsseldorf, 1 June 2021

Boxine GmbH (Group)

Patric Faßbender, Managing Director ***Marcus Stahl, Managing Director***

Appendix to 1.5 – Consolidated statement of movements in fixed assets

	Cost						Accumulated amortisation, depreciation and write-downs						Amount	
	1 Jan.	First-time consolidation	Additions	Disposals	Reclassifications	31 Dec.	1 Jan.	First-time consolidation	Additions	Disposals	Reclassifications	31 Dec.	1 Jan.	31 Dec.
Industrial property and similar rights and assets, as well as licences to such rights and assets	6,611,764.77		1,325,578.69	-1,142,438.41		6,794,905.05	1,594,798.96		801,006.43	-39,000.00		2,356,805.39	5,016,965.81	4,438,099.66
Technical equipment and machinery	1,413,307.32		758,872.32			2,172,179.64	315,433.32		378,606.73			694,040.05	1,097,874.00	1,478,139.59
Other equipment, operating and office equipment	234,778.72	1,935.63	346,606.04			583,320.39	66,880.72	591.37	186,718.98			254,191.07	167,898.00	329,129.32
Shares in affiliated companies	0.00	-112.56			112.56	0.00						0.00	0.00	0.00
Investments	112.56				-112.56	0.00						0.00	112.56	0.00
	8,259,963.37	1,823.07	2,431,057.05	-1,142,438.41	0.00	9,550,405.08	1,977,113.00	591.37	1,366,332.14	-39,000.00	0.00	3,305,036.51	6,282,850.37	6,245,368.57

1.6 Independent Auditor's Report

The following English-language translation of the German-language independent auditor's report (Bestätigungsvermerk des unabhängigen Abschlussprüfers) refers to the consolidated financial statements, prepared in accordance with the German Commercial Code ("Handelsgesetzbuch"), as well as the group management report, which was combined with the management report of the Company ("Combined Management Rport"), prepared on the basis of German commercial law (HGB), of Boxine GmbH, Düsseldorf, as of and for the fiscal year ended December 31, 2019 as a whole and not solely to the consolidated financial statements presented in this Prospectus on the preceding pages. The Combined Management Report is not part of this Prospectus.

To Boxine GmbH (Group), Düsseldorf

Audit Opinions

I have audited the consolidated financial statements of Boxine GmbH, which comprise

- the consolidated statements of financial position as at 31 December 2019
- the consolidated statement of profit and loss statement for the financial year from 1 January to 31 December 2019
- the notes to the consolidated financial statements for financial year 2019
- the consolidated statement of cash flows for financial year 2019
- the consolidated statement of changes in equity for financial year 2019

including the presentation of the recognition and measurement policies. In addition, I have audited the group management report for the financial year.

In my opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2019 and of its financial performance for the financial year from 1 January 2019 to 31 December 2019, in accordance with German Legally Required Accounting Principles, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 of the German Commercial Code [HGB], I declare that my audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and the group management report.

Basis for the Audit Opinions

I conducted my audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the German Generally Accepted Standards of Financial Statement Audits. My 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 Group Management Report" section of my auditor's report. I am independent of the group entities in accordance with the requirements of German commercial and professional law, and I have fulfilled my other German professional responsibilities in accordance with these requirements. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions on the consolidated financial statements and on the group management report.

Responsibilities of The Management for the Consolidated Financial Statements and the Group Management Report

The management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of German commercial law and that the consolidated financial statements, in compliance with German Legally Accounting Principles, give a true and fair view of the assets, liabilities, financial position and financial performance of the. In addition, the management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an independent auditor's report that includes my audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the German Generally Accepted Standards of Financial Statement Audits will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I

conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify my respective audit opinions. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the management in the group management report. On the basis of sufficient appropriate audit evidence I evaluate, in particular, the significant assumptions used by management as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. I do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Düsseldorf, 20th of July 2021

[German original signed by]

Dipl.-Kfm. Günther Rolf Rotteveel
Wirtschaftsprüfer
[German Public Auditor]

Audited consolidated financial statements of Boxine GmbH
prepared in accordance with German Commercial Code (*Handelsgesetzbuch*)
as of and for the financial year ended December 31, 2018

1.1 Consolidated balance sheet

ASSETS

		31 December 2018	
		EUR	EUR
A.	**Fixed assets**		
I.	Intangible assets		
1.	Industrial property and similar rights and assets as well as licences to such rights and assets	5,016,965.81	5,016,965.81
II.	Property, plant and equipment		
1.	Technical equipment and machinery	1,097,874.00	
2.	Other equipment, operating and office equipment	167,898.00	1,265,772.00
III.	Financial assets		
1.	Investments	112.56	112.56
			6,282,850.37
B.	**Current assets**		
I.	Inventories		
1.	Raw materials and supplies	1,996,266.49	
2.	Work in process	629,928.02	
3.	Finished goods and merchandise	11,448,895.89	14,075,090.40
II.	Receivables and other assets		
1.	Trade receivables	13,622,742.92	
2.	Receivables from affiliated companies	366,383.70	
3.	Other assets	349,327.61	14,338,454.23
III.	Cash and cash equivalents		2,529,103.48
			30,942,648.11
C.	**Prepaid expenses**		71,216.43
			37,296,714.91

EQUITY AND LIABILITIES

		31 December 2018	
		EUR	EUR
A.	**Equity**		
I.	Subscribed capital		64,097.00
II.	Capital reserve		9,008,007.14
III.	Accumulated deficit brought forward		-5,802,591.49
IV.	Net income for the year		1,782,593.99
			5,052,106.64
B.	**Provisions**		
1.	Tax provisions	17,895.00	
2.	Other provisions	4,005,295.54	4,023,190.54
C.	**Liabilities**		
1.	Liabilities to banks	9,897,237.22	
2.	Trade payables	15,519,664.71	
3.	Liabilities to affiliated companies	15,389.67	
4.	Other liabilities	251,264.49	
5.	Liabilities to shareholders	1,378,821.14	
6.	Tax liabilities	1,159,040.50	28,221,417.73
			37,296,714.91

1.2 Consolidated income statement

		Reporting year	
		EUR	EUR
1.	Revenue		60,528,316.31
2.	Increase in finished goods and work in process		11,236,622.14
3.	Other own work capitalised		732,261.61
4.	Other income		98,810.90
5.	Cost of materials		
	a) Cost of raw materials, supplies and purchased goods	-47,690,348.17	
	b) Cost of purchased services	-607,558.25	-48,297,906.42
6.	Personnel expenses		
	a) Wages and salaries	-3,033,320.88	
	b) Social security, pension and other benefits	-661,754.18	-3,695,075.06
	thereof for pensions: EUR 39,456.89		
7.	Amortisation, depreciation and write-downs of intangible assets and property, plant and equipment		-1,116,801.80
8.	Other operating expenses		-16,837,048.92
9.	Other interest and similar income		9,252.09
10.	Interest and similar expenses		-857,941.86
11.	Income taxes		-17,895.00
12.	Earnings after taxes		1,782,593.99
13.	**Net income for the year**		**1,782,593.99**

1.3 Consolidated statement of cash flow

No.			Amount EUR
1.		Net income for the year	1,851,488.99 €
2.	+	Amortisation, depreciation and write-downs of property, plant and equipment and intangible assets	1,116,801.80 €
3.	-	Reversals of write-downs on property, plant and equipment and intangible assets	0.00 €
4.	+/-	Increase/decrease in provisions	3,667,918.26 €
5.	+/-	Non liquidity-related income/expenses (provided not already recorded in the following items)	0.00 €
6.	-/+	Increase/decrease in other assets and prepaid expenses	213,901.43 €
7.	-/+	Increase/decrease in inventories	-11,236,622.14 €
8.	-/+	Increase/decrease in trade receivables	-11,977,864.30 €
9.	+/-	Increase/decrease in trade payables, payment received and deferred income	12,023,263.36 €
10.	+/-	Increase/decrease in other liabilities	-252,772.77 €
11.		Cash flows from operating activities	-4,593,885.37 €
12.	-	Capital expenditure	-2,728,088.12 €
13.		Cash flows from investing activities	-2,728,088.12 €
14.	+	Proceeds from loans and borrowings	9,202,307.14 €
15.	+	Proceeds from shareholder loans	1,113,283.83
16.		Cash flows from financing activities	10,315,590.97 €
17.	+	Cash flows from the current period	2,993,617.48 €
18.	+	Cash and cash equivalents at the beginning of the period	693,611.50 €
19.		Cash and cash equivalents at the end of the period	3,687,228.98 €

1.4 Consolidated equity reconciliation

	Subscribed capital	Capital reserve	Retained earnings/ accumulated deficit brought forward	Net income/ loss for the year	Total
As at 1 Jan. 2018	63,046.00 €	8,508,947.10 €	-5,802,591.49 €		2,769,401.61 €
Payments by shareholders	1,051.00 €	499,060.04 €			500,111.04 €
Net income for the year				1,782,593.99 €	1,782,593.99 €
As at 31 Dec. 2018	64,097.00 €	9,008,007.14 €	-5,802,591.49 €	1,782,593.99 €	5,052,106.64 €

1.5 Notes to the consolidated financial statements

General information

The Parent Company of the Group is Boxine GmbH, Grafenberger Allee 120, 40237 Düsseldorf. The Company is registered in the Commercial Register of Düsseldorf, Section B, under no. 71733.

The notes to the annual financial statements of Boxine GmbH and the notes to the consolidated financial statements of Boxine Group are combined in accordance with Section 298 (2) of the German Commercial Code [HGB].

Preparation of the consolidated financial statements

According to Section 293 HGB the preparation of consolidated financial statements for the financial year 2018 is not mandatory. The Company has prepared these consolidated financial statements on a voluntary basis. These consolidated financial statements have been prepared in accordance with Sections 290 et seqq. HGB and in accordance with the relevant provisions of the German Limited Liability Companies Act [GmbHG]. In addition to the Parent Company, the following companies are included in the consolidated financial statements:

Boxine Sales DAB GmbH, Düsseldorf, 100% shareholding
Boxine Productions GmbH, Düsseldorf, 100% shareholding
Boxine Development GmbH, Düsseldorf, 100% shareholding

All subsidiaries consolidated in the consolidated financial statements were consolidated for the first time as at 1 January 2018.

Pursuant to Section 296 (2) HGB, Boxine UK Ltd is not included in the consolidated financial statements as it only commenced operations in October 2018 and is of minor significance for the financial year. Boxine UK Ltd therefore had no impact on the Group's assets, liabilities, financial position and financial performance.

Consolidation methods

The following consolidation methods were applied for the first time in the financial year.

Uniform accounting

Uniform accounting policies have been applied in preparing the financial statements of consolidated companies. Consequently, these are explained in the section "Accounting policies of the GmbH".

Capital consolidation

The fair value method in accordance with Section 301 HGB was used for the capital consolidation of all consolidated companies. The book value of the investment was compared with the fair value of the assets less liabilities at the date of first-time consolidation. No goodwill or negative goodwill arose from offsetting.

Consolidation of intercompany accounts

Intercompany payables and receivables are eliminated pursuant to Section 303 (1) HGB by offsetting all receivables and liabilities between companies included in the consolidated financial statements at their nominal value.

Consolidation of income and expenses (Section 305 HGB)

Revenue from intercompany sales and other intercompany income has been offset against the corresponding expenses, with the result that the consolidated income statement now generally only shows expenses and income from transactions with non-consolidated companies and external third parties.

Changes in the opening balance sheet figures

To ensure comparability of the annual financial statements with the prior year's annual financial statements, the following items are reclassified pursuant to the German implementation of the EU Accounting Directive [BilRUG] and the accounting policies of the Company:

- Prototype: KEUR 3,229 of property, plant and equipment to intangible assets
- Diverse other operating income: KEUR 1,330 from other operating income to revenue
- Gains on foreign currency translation: KEUR 132 from other operating income to cost of materials
- Expenses from foreign currency translation: KEUR 68 from other operating expenses to cost of materials
- Offsetting of other services in kind (vehicles): KEUR 12 from other operating expenses to personnel expenses
- Vehicle taxes: KEUR 1 from other taxes to other operating expenses
- Debit balances: KEUR 35 from other assets to trade payables

Accounting policies

Intangible assets acquired for a consideration are stated at cost while own work capitalised (Section 248 (2) sentence 1 HGB) is recognised at hourly rates – which include both personnel costs including incidental wage costs as well as overhead costs that can be capitalised. Development expenses for own work capitalised have been recognised since financial year 2017. No research costs are capitalised. Capitalised internally generated intangible assets are restricted from distribution in accordance with Section 268 (8) HGB.

Provided the use of intangible assets is limited in time, they are written down on a straight-line basis over their expected useful lives of three to seven years.

Property, plant and equipment are measured at cost less depreciation – where subject to depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, ranging from three to ten years for technical equipment and machinery and three to ten years for other equipment, operating and office equipment.

Amortisation and depreciation of moveable assets added in the course of first-time consolidation are being continued in accordance with the separate financial statements of the companies.

Low-value assets costing up to EUR 800.00 are written off in full in the year of their acquisition.

Financial assets are measured at their acquisition cost.

Please see the attached statement of movements in fixed assets for further information.

Inventories at the parent company Boxine GmbH are stated at cost. If their fair market value was lower as at the balance sheet date, this lower value was recognised. Inventories at the subsidiary Boxine Sales DAB GmbH are valued at the reduced transfer price.

Impairment due to limited marketability of items is taken into account by means of write-downs. Write-downs are calculated by using the required expenses to restore the items to their full marketability.

Receivables and other assets are stated at cost. If a lower fair value arises as at the balance sheet date, this value is recognised.

Receivables denominated in foreign currency are measured at the average spot rate of exchange as at the balance sheet date.

Risks related to trade receivables are accounted for through appropriate specific and general allowances.

Cash and cash equivalents are recognised at nominal value. Reserves denominated in foreign currency are translated at the average spot exchange rate as at the reporting date.

Provisions are valued at the settlement amount deemed necessary based on prudent commercial judgement.

Liabilities are recognised at their settlement amount.

Liabilities denominated in foreign currency are measured at the average spot rate of exchange as at the balance sheet date.

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

Expenses and income are recorded at nominal values.

Expenses and income denominated in foreign currency are translated into EUR at the European Central Bank's closing rate on the date of recognition.

Differences arising from the European Central Bank's closing rate used on the date of recognition and the rate used on payment of the foreign currency amount are recognised as exchange rate differences within the cost of materials, as transactions denominated in foreign currency are to be allocated to the cost of materials.

Other required disclosures

Development expenses in the amount of KEUR 732 were capitalised as own costs.

The development of individual fixed items and amortisation, depreciation and write-downs for the financial year of the Parent Company and the Group are shown separately in the attached statement of movements in fixed assets (appendix to notes).

All trade receivables as well as those from affiliated companies and other assets have a remaining term to maturity of up to one year.

Other provisions totalled KEUR 4,005 (Group) and KEUR 3,664 (Boxine GmbH). The provisions recognised under this item are listed below:

Other provisions of the Group	KEUR
Licences	3,492
Advertising allowance	235
Customer bonuses	50
Leave provisions	118
Other personnel provisions	7
Financial statements and audit	55
Other provisions	48

Other provisions of Boxine GmbH	KEUR
Licences	3,492
Leave provisions	111
Other personnel provisions	6
Financial statements and audit	30
Other provisions	25

All liabilities are due within one year.

To provide cover for the liabilities to banks totalling KEUR 9,897 (Group) and KEUR 9,897 (Boxine GmbH), the following collateral was made available:

- Assignment of ownership of warehouse (with changing inventory) of Boxine Sales DAB GmbH
- Shareholder loans in the amount of EUR 1.1 million are subject to subordination

As at 31 December 2018, the Group has the following available credit lines:

Lender	Type of loan	Amount of credit line (EUR)	Interest rate in % per annum
Bankhaus Lampe	Current account - master	1,500,000.00	4.95%
	Current account - seasonal	1,500,000.00	4.95%
Commerzbank	Current account / Guarantee	1,000,000.00	5.25%
Deutsche Bank	Current account - master	3,900,000.00	4.95%
	Current account - seasonal	2,600,000.00	4.95%
National Bank	Current account - master	500,000.00	6.00%
	Current account - seasonal	500,000.00	6.00%

The other liabilities relate to tax liabilities in the amount of KEUR 1,159 (Group) and KEUR 1,159 (Boxine GmbH and social security liabilities of KEUR 63 (Group) and KEUR 57 (Boxine GmbH).

The Company is the holder of forward exchange contracts to hedge exchange rate risks, which oblige it to purchase US dollars at the fixed date and fixed exchange rate. The fair value of the concluded transactions amounted to KEUR 953 as at the balance sheet date.

Other financial obligations are shown in the following table:

Future obligations arising from rental and lease agreements	KEUR
Due within one year	200
Due in one to five years	2,499
Due after more than five years	3,783
Total	**6,482**

There are no other financial obligations outside of continuing operations or the customary scope of business that are not presented in the balance sheet or the notes.

The total fee invoiced by the group auditor of KEUR 25 (Group and Boxine GmbH) solely relates to audit services.

Income for the Group and to Boxine GmbH is broken down as follows:

Income	Group KEUR	Boxine GmbH KEUR
Revenue	60,528	55,340
Other operating income from affiliated companies		4,401
Income relating to other periods	80	3
Income from reversals of provisions	15	12
Other	4	3

External sales by group company are broken down as follows:

Boxine Sales DAB GmbH,	EUR 60.5 million
Boxine Productions GmbH,	./.
Boxine Development GmbH,	./.
Boxine GmbH	./.

External sales by region are broken down as follows:

Germany	EUR 56.2 million
Remaining European Union	EUR 2.8 million
Rest of Europe	EUR 1.5 million
Other countries	./.

Social security costs of KEUR 39 (Group and Boxine GmbH) relate to pensions and other benefits.

Other operating expenses mainly relate to the following items:

Items of other operating expenses	**Group KEUR**	**Boxine GmbH KEUR**
Licence fees	5,651	5,651
Distribution costs / warehouse costs	5,207	3,456
Advertising expenses	2,099	1,116
EDP costs	752	749
Insurance and contributions	745	145
Legal and advisory fees	447	413

The headcount as at 31 December 2018 amounted to 95 employees. Thereof, 83 are full-time employees, which includes nine senior staff inclusive of management, and 20 student temporary staff and other employees. The majority of employees work at the head office in Düsseldorf, while nine employees have their place of work at another location in Schwäbisch Gmünd.

An average of 53.8 persons were employed in the Group and distributed across the companies as follows:

Employees within Group	**Average number**
Boxine GmbH	46.6
Boxine Sales DAB GmbH	7.2
Boxine Productions GmbH	0
Boxine Development GmbH	0

There were no related party transactions that were not carried out at arm's length conditions.

The Managing Directors of Boxine GmbH and its subsidiaries are:

- Patric Faßbender, Managing Director, Düsseldorf
- Marcus Stahl, Managing Director, Düsseldorf

Disclosure of the remuneration paid to the managing directors is waived in accordance with Section 286 (4) HGB.

Management proposes carrying forward the net income of Boxine GmbH to the following year.

Düsseldorf, 30 June 2019

Boxine GmbH

Patric Faßbender, Managing Director ***Marcus Stahl, Managing Director***

Appendix to 1.5 – Consolidated statement of movements in fixed assets

	Cost					Accumulated amortisation, depreciation and write-downs					Amount	
	1 Jan.	Additions	Disposals	Reclassi-fications	31 Dec.	1 Jan.	Additions	Disposals	Reclassi-fications	31 Dec.	1 Jan.	31 Dec.
Industrial property and similar rights and assets, as well as licences to such rights and assets	4,131,978.60	2,498,921.38	19,135.21		6,611,764.77	712,766.59	885,559.40	3,527.03		1,594,798.96	3,419,212.01	5,016,965.81
Technical equipment and machinery	833,242.99	580,064.33			1,413,307.32	132,933.99	182,499.33			315,433.32	700,309.00	1,097,874.00
Low-value asset sales	1.00		1.00		0.00	0.00	-0.81	-0.81		0.00	1.00	0.00
Other equipment, operating and office equipment	70,068.84	164,709.88			234,778.72	18,136.84	48,743.88			66,880.72	51,932.00	167,898.00
Shares in affiliated companies	0.00				0.00					0.00	0.00	0.00
Investments		112.56			112.56					0.00	0.00	112.56
	5,035,291.43	**3,243,808.15**	**19,136.21**	**0.00**	**8,259,963.37**	**863,837.42**	**1,116,801.80**	**3,526.22**	**0.00**	**1,977,113.00**	**4,171,454.01**	**6,282,850.37**

1.6 Independent auditor's report of the Boxine Group

The following English-language translation of the German-language independent auditor's report (Bestätigungsvermerk des unabhängigen Abschlussprüfers) refers to the consolidated financial statements, prepared in accordance with the German Commercial Code ("Handelsgesetzbuch"), as well as the group management report, which was combined with the management report of the Company ("Combined Management Rport"), prepared on the basis of German commercial law (HGB), of Boxine GmbH, Düsseldorf, as of and for the fiscal year ended December 31, 2018 as a whole and not solely to the consolidated financial statements presented in this Prospectus on the preceding pages. The Combined Management Report is not part of this Prospectus.

For the consolidated financial statements and the group management report, I have issued the following independent auditor's report:

Independent Auditor's Report

To Boxine GmbH on behalf of the Boxine Group

Audit Opinions

I have audited the consolidated financial statements of Boxine GmbH, Düsseldorf, and its subsidiaries (the "Boxine Group"), which comprise the consolidated statements of financial position as at 31 December 2018, the consolidated statements of profit and loss, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year from 1 January 2018 to 31 December 2018, and notes to the consolidated financial statements, including the presentation of the recognition and measurement policies. In addition, I have audited the group management report of the Boxine Group for the financial year 2018.

In my opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2018 and of its financial performance for the financial year from 1 January 2018 to 31 December 2018, in accordance with German Legally Required Accounting Principles, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 of the German Commercial Code [HGB], I declare that my audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and the group management report.

Basis for the Audit Opinions

I conducted my audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the German Generally Accepted Standards of Financial Statement Audits. My 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 Group Management Report" section of my auditor's report.

I am independent of the group entities in accordance with the requirements of German commercial and professional law, and I have fulfilled my other German professional responsibilities in accordance with these requirements.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions on the consolidated financial statements and on the group management report.

Responsibilities of The Management for the Consolidated Financial Statements and the Group Management Report

The Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of German commercial law and that the consolidated financial statements, in compliance with German Legally Required Accounting Principles, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an independent auditor's report that includes my audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the German Generally Accepted Standards of Financial Statement Audits will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I

conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify my respective audit opinions. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the management in the group management report. On the basis of sufficient appropriate audit evidence I evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. I do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Düsseldorf, 18th of July 2019

[German original signed by]

Dipl.-Kfm. Günther Rolf
Rotteveel Wirtschaftsprüfer
[German Public Auditor]