

Annual Financial Statements

as at 30 June 2019

for



Hellwig Wertpapierhandelsbank GmbH

Wertpapierhandelsbank
Hochstraße 49

60313 Frankfurt am Main

Bernd Rumpf
Tax Consultant

Bockenheimer Landstraße 64

60323 Frankfurt/Main

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We were asked by

**Hellwig Wertpapierhandelsbank GmbH,
Frankfurt/Main**

(hereinafter referred to as "Hellwig WH GmbH" or "Company")

to prepare the annual financial statements as of 30 June 2019, based on the documents, books and inventory records submitted to us, which we have at the client's behest not checked or audited; whereby we have taken into account the information provided to us in accordance with the relevant statutory requirements and the client's instructions, with a view to using the available options within this framework. We carried out the aforementioned task from 31 July 2019 to 9 September 2019 at our offices in Frankfurt, Germany, and at the company's offices (likewise in Frankfurt).

Tax Consultant's certification of realization

As per the client's instructions, we prepared the annual financial statements herein (comprising a balance sheet, profit and loss statement, and appendix) of Hellwig Wertpapierhandelsbank GmbH for the fiscal year beginning 1 July 2018 and ending 30 June 2019, in accordance with German commercial law and the supplementary provisions of the company's articles of incorporation.

These annual financial statements were elaborated based on the following: the documents, account books and inventory records that were submitted to us (which we did not check as per the client's instructions), as well as the information that was submitted to us.

The accounting and the compilation of the inventory and the annual financial statements pursuant to German commercial law and the supplementary provisions of the company's articles of incorporation are the responsibility of the company's legal representative.

We fulfilled the client's order in accordance with the rules of the German Chamber of Tax Consultants (*Bundessteuerberaterkammer*) on the principles for preparation of annual financial statements. These include the development of balance sheets and profit and loss statements as well as the appendix thereto, based on the company's accounting and inventory records, as well as the rules governing the relevant accounting and valuation methods.

Frankfurt am Main, 9 September 2019

Bernd Rumpf
Tax Consultant

Legal information

Company:	Hellwig Wertpapierhandelsbank GmbH
Legal form:	GmbH
Registered office:	Frankfurt am Main
Address:	Hochstraße 49, 60313 Frankfurt am Main, Germany
Registry entry:	Commercial Register
Commercial Register Court:	Frankfurt am Main
Commercial Register Court No.:	HRB 49853
Articles of Association:	The version dated 19 July 2011 is the valid version.
Fiscal year:	1 July to 30 June
Object of the company:	Securities trading bank
Subscribed capital	€ 7,000,000.00
Partner:	Arne Hellwig
Executive officers, company representatives:	Arne Hellwig and Annick Kleine
Proposed appropriation of net income:	See under "Appropriation of net income"
Appropriation of net income statement from the prior year:	Drawn up during the reporting year
Ratification of management actions in the prior year:	Issued
Significant changes in the company's circumstances following the balance sheet date:	None

Tax status

Local tax office:	Frankfurt/M V-Höchst
Tax number:	047 220 33210
Tax assessment:	No assessment has been issued for the 2018 assessment year yet.
External/special tax audits:	Carried out for the 2012-2014 assessment period. External Audit Report of 31 July 2018

By virtue of its activities, the company is subject to corporate, business and sales tax. Corporate tax and business tax were calculated as part of the preparation of the annual financial statements.

The company's tax returns up to and including 2017 have been filed. The tax assessments for 2015, 2016 and 2017 have been effected, subject to a follow-up audit.

Balance sheet as at 30 June 2019

Hellwig Wertpapierhandelsbank GmbH, 60313 Frankfurt am Main

ASSETS

LIABILITIES

	EUR	Fiscal year EUR	Prior year EUR		EUR	Fiscal year EUR	Prior year EUR
1. Cash reserves				1. Liabilities to credit institutions			
a) Cash on hand		971.86	1,880.27	HSBC - CAD	19,667.11		27,532.18
2. Liabilities to credit institutions				HSBC - CHF	0.00		7,442.96
Frankfurter Sparkasse	26,362.52		711,969.40	HSBC - CNY	0.00		7,926.01
Interactive Brokers	16,629.43		187,369.97	HSBC - HUF	10.17		82.67
HSBC - EUR	5,462,373.60		3,878,399.12	HSBC - CAD	0.00		16.22
HSBC - AUD	2,400.68		9,317.35	HSBC - MXN	18.18		0.00
HSBC - CHF	42,868.02		0.00	HSBC - NOK	0.00		758.44
HSBC - CNY	546.20		0.00	HSBC - PLN	214.97		0.00
HSBC - CZK	0.03		9.27	HSBC - RUB	16.50		469.38
HSBC - DKK	202.90		91.21	HSBC - SEK	352.80		0.00
HSBC - GBP	9,074.42		55,269.34	HSBC - USD	294,292.39		243,924.16
HSBC - MXN	0.00		542.46	HSBC - ZAR	15,673.85		0.00
HSBC - NOK	640.56		0.00	Liabilities HSBC (Transerror)	<u>33,088.40</u>		<u>68,521.65</u>
HSBC - NZD	2,951.69		419.10			363,334.37	356,673.67
HSBC - PLN	0.00		357.30	2. Trading portfolio		576,850.91	358,977.59
HSBC - SEK	0.00		1.91	3. Other liabilities		106,316.88	153,238.21
HSBC - SGC	23.44		1,272.87	4. Accruals			
HSBC - TRY	226.23		1,338.03	a) Other provisions		203,556.00	129,613.00
HSBC - ZAR	0.00		5,438.54	5. Funds for general bank risks			
HSBC receivables (miscellaneous)	<u>7,746.38</u>		<u>12,423.45</u>	- of which: Allocations pursuant to Article 340e (4) Commercial Code (HGB)			
		5,572,046.10	4,864,219.32	EUR 825,093.31			
				(EUR 1,308,147.25)			
3. Customer receivables		15,065.70	22,342.52	6. Capital			
4. Debentures and other fixed-interest securities (as per asset ledger)		350,340.07	95,476.00	a) Subscribed capital	7,000,000.00		7,000,000.00
5. Stocks and other non-interest-bearing securities (as per asset ledger)		37,492.56	45,824.59	b) Capital reserves	<u>189,433.00</u>		<u>234,433.00</u>
6. Trading portfolio		856,851.05	1,957,410.66			7,189,433.00	7,234,433.00
7. Intangible assets							
a) Purchased concessions, industrial property rights and similar rights and assets, as well as licenses on such rights and values	19,427.00		35,568.00				
b) Goodwill	1.00		1.00				
8. Fixed assets		195,684.00	188,845.00				
9. Other assets		2,191,883.94	2,300,370.57				
10. Prepaid expenses		24,821.19	29,144.79				
		<u>9,264,584.47</u>	<u>9,541,082.72</u>			<u>9,264,584.47</u>	<u>9,541,082.72</u>

Asset sheet	Cost of items purchased and/or produced 1 July 2018 euros	Accruals euros	Disposals (-) euros	Reclassifications (+/-) euros	Appreciations euros	Cost of items purchased and/or produced 30 June 2019 euros	Cumulative depreciations 1 July 2018 euros	Depreciations from 1 July 2018 to 30 June 2019 euros	Disposals from 1 July 2018 to 30 June 2019 euros	Cumulative depreciations 30 June 2019 euros	Carrying amount 30 June 2019 euros	Carrying amount 30 June 2018 euros
Assets												
I. Intangible assets												
Similar rights and assets	9,573.85	0.00	0.00	0.00	0.00	9,573.85	9,572.85	0.00	0.00	9,572.85	1.00	1.00
Right to exercise a specialist function ("Ausübung Spezialistenfunktion")	403,010.00	0.00	0.00	0.00	0.00	403,010.00	403,008.00	0.00	0.00	403,008.00	2.00	2.00
Goodwill	403,331.76	0.00	0.00	0.00	0.00	403,331.76	403,330.76	0.00	0.00	403,330.76	1.00	1.00
Computer software	233,472.37	0.00	0.00	0.00	0.00	233,472.37	197,907.37	16,141.00	0.00	214,048.37	19,424.00	35,565.00
Intangible payments pursuant to the VermG law	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total intangible assets	1,049,387.98	0.00	0.00	0.00	0.00	1,049,387.98	1,013,818.98	16,141.00	0.00	1,029,959.98	19,428.00	35,569.00
II. Fixed assets												
Motor vehicles	114,846.97	64,229.23	-55,968.82	0.00	0.00	123,107.38	50,420.97	22,945.23	28,751.82	44,614.38	78,493.00	64,426.00
Office equipment	272,090.28	3,509.37	0.00	0.00	0.00	275,599.65	189,828.28	20,190.37	0.00	210,018.65	65,581.00	82,262.00
IT equipment and accessories	192,948.27	31,945.38	0.00	0.00	0.00	224,893.65	150,791.27	22,492.38	0.00	173,283.65	51,610.00	42,157.00
Assets of minor value	16,969.76	778.14	0.00	0.00	0.00	17,747.90	16,969.76	778.14	0.00	17,747.90	0.00	0.00
Total fixed assets	596,855.28	100,462.12	-55,968.82	0.00	0.00	641,348.58	408,010.28	66,406.12	28,751.82	445,664.58	195,684.00	188,845.00
Total assets	1,646,243.26	100,462.12	-55,968.82	0.00	0.00	1,690,736.56	1,421,829.26	82,547.12	28,751.82	1,475,624.56	215,112.00	224,414.00

	Status as at 1 July 2018	Consumption	Redemption	Addition	Status as at 30 June 2019
Accruals for taxation					
Business tax	0.00	0.00	0.00	0.00	0.00
Corporate tax and solidarity surcharge	0.00	0.00	0.00	0.00	0.00
Provisions for personnel costs					
Severance-pay provisions	0.00	0.00	0.00	0.00	0.00
Bonuses	0.00	0.00	0.00	0.00	0.00
Bonus provisions	20,000.00	20,000.00	0.00	107,307.00	107,307.00
Other provisions					
Preparation of annual financial statements and tax returns	47,500.00	40,250.30	2,249.70	41,650.00	46,650.00
Financial and payroll bookkeeping costs	3,882.00	3,282.00	600.00	0.00	0.00
Special audit pursuant to Article 44 Financial Services Act	0.00	0.00	0.00	0.00	0.00
Attorney and consulting fees	30,000.00	30,000.00	0.00	15,000.00	15,000.00
Staff vacation leave	20,931.00	20,931.00	0.00	31,199.00	31,199.00
Staff bonus payments	0.00	0.00	0.00	0.00	0.00
Tick reserves	5,000.00	5,000.00	0.00	0.00	0.00
Bloomberg provisions	0.00	0.00	0.00	1,500.00	1,500.00
Trade association	2,300.00	2,300.00	0.00	1,900.00	1,900.00
Total provisions	129,613.00	121,763.30	2,849.70	198,556.00	203,556.00

Appendix
as at
30 June 2019

Below are the legally required disclosures in the Appendix to the financial statements for Hellwig Wertpapierhandelsbank GmbH, which is headquartered in Frankfurt am Main and is entered in the Commercial Register of Frankfurt am Main District Court under HRB49853:

1. Accounting and valuation methods

Introduction

These annual financial statements were prepared in accordance with the supplementary rules for credit institutions and financial services providers pursuant to Article 340 et. seq. of the Commercial Code (HGB) and in particular Article 340a of HGB. The balance sheet and profit and loss statement were prepared in accordance with the RechKredV regulation. The vertical format was used for the profit and loss statement. In addition to this, the regulations laid down in the Kreditwesengesetz (Financial Services Act), the Commercial Code (HGB), and the GmbH-Gesetz (Act on Limited Partnership Companies), as well as the relevant tax regulations, were adhered to.

All valuations were carried out as provided in Article 252 et. seq. of HGB. This means that all valuations were undertaken in accordance with their purchase and manufacturing costs, insofar as no lower value was required by law.

Insofar as not otherwise indicated in the following, relative to the prior year there have been no changes in the accounting and valuation rules.

- 1.1 Cash reserves, loans and advances to banks and customers, other assets, and prepaid expenses are stated at their nominal values. Current-asset gold holdings were taken into account at their acquisition costs or the lower market price. An interest compensation agreement is in effect concerning the house-bank accounts, which were offset accordingly.
- 1.2 Liquidity-reserve securities were recognized under debentures and other interest-bearing securities as well as shares and other non-fixed securities.

Liquidity reserves securities were valued in accordance with strict lowest-value principle for current assets, pursuant to Article 253(4) of HGB. A lower valuation in accordance with Article 340f(1) of HGB was not effected.

The entire liquidity-reserves portfolio is negotiable, listed on the stock exchange, and acceptable as collateral for the Bundesbank.

- 1.3 The trading portfolio was valued at fair value in accordance with Article 255(4) in conjunction with Article 340e(3)(sentence 1) of HGB minus a risk discount in the amount of unrealized reserves.

The portfolio's financial-instrument holdings are assumed to be subject to the same risk. The portfolio is managed on a fair-value basis. Hence the non-realized reserves for all financial-instrument holdings in the portfolio were recognized as a risk discount. Insofar as an assets and liabilities trading portfolio exists, the risk discount and premiums were determined and recorded separately.

The bank's internal criteria for the inclusion of financial instruments in the trading portfolio have not changed.

1.4 Provisions were established in the amount of the requisite nominal value as necessitated by a reasonable commercial assessment of the respective risks (as prescribed by law) and by possible obligations.

1.5 Fixed and intangible assets

See the enclosed asset sheet for information concerning the composition of and changes in the bank's fixed and intangible assets. The entirety of the bank's fixed assets comprise plant and office equipment.

The fixed assets and intangible assets are carried at acquisition or manufacturing cost, less depreciation.

Depreciations were measured in accordance with the degressive depreciation method and based on standard useful life.

Up to 31 December 2017, the addition of assets with net acquisition costs of up to €150 was recognized directly as an expense. Economic assets whose net acquisition costs of more than €150 and up to €410 were recognized as assets and were written off in full in the year of their acquisition.

As of 1 July 2018, acquisition of economic assets whose net purchasing costs were €250 or less were recognized directly as expenses. Economic assets whose net purchasing costs of more than €250 and up to €800 were recognized as assets and were written off in full in the year of their acquisition.

No unscheduled depreciations due to technical or economic wear have been carried out.

1.6 Deferred tax pursuant to Article 274 Commercial Code (HGB) were calculated insofar as necessary, whereby deferred tax liabilities were offset against deferred tax assets. No use was made of the option pursuant to Article 274(1) (sentence 2) Commercial Code (HGB).

2. Notes on the balance sheet

2.1 Trading portfolio assets

For information concerning valuation of the bank's trading portfolio for securities and other financial instruments, see Section 1.3, which applies accordingly here as well. A risk discount amounting to non-realized profit was taken into account.

Trading portfolio assets within the meaning of Article 35(1)(1a) of the RechKredV regulation break down as follows:

Debentures and other fixed-interest securities, including coupons	€	850,466.76
Risk discount pursuant to Section 255(4) in conjunction with Article 340e(3)(sentence 1) of HGB	€	-1,100.71
Derivatives	€	0.00
Risk discount pursuant to Article 255(4) in conjunction with Article 340e(3)(sentence 1) of HGB	€	0.00
Stocks and other non-interest bearing securities	€	7,535.00
Risk discount pursuant to Section 255(4) in conjunction with Section 340e(3)(sentence 1) of HGB	€	<u>-50.00</u>
	€	<u>856,851.05</u>

2.2 Fixed assets pursuant to Section 35(2) RechKredV

As at 30 June 2019, Hellwig Wertpapierhandelsbank fixed assets included plant and office equipment valued at €196,000.

2.3 Other assets

This item mainly consists of a €1,866,000 loan made to the sole shareholder and CEO, for which a first-ranking land charge in favor of the company was recognized. The remaining term of this loan was one year and seven months, as at the balance sheet date. Other assets also include gold worth €283,000, a security deposit for office space amounting to €32,000, and sales tax receivables amounting to €11,000.

2.4 Trading portfolio liabilities

For information concerning valuation of the bank's trading portfolio of short securities and other financial instruments, see Section 1.3, which applies accordingly here as well. A risk premium amounting to non-realized profit was recognized. Trading portfolio liabilities break down as follows:

Debentures and other fixed-interest securities, including coupons plus risk premium pursuant to Section 255(4) in conjunction with Article 340e(3)(sentence 1 of HGB	€	572,624.32
	€	3,637.59
Derivatives plus risk premium pursuant to Article 255(4) in conjunction with Article 340e(3)(sentence 1) of HGB	€	0.00
	€	0.00
Stocks and other non-interest bearing securities plus risk premium pursuant to Section 255(4) in conjunction with Article 340e(3)(sentence 1 of HGB	€	546.54
	€	42.46
	€	576,850.91
		=====

2.5 Other liabilities

Liabilities were recognized at their respective nominal values. As at the balance sheet date, liabilities mainly comprised the following: liabilities from trade accounts receivable amounting to €51,000; from payroll and church tax amounting to €47,000; from employee withholding amounting to €8,000. All other liabilities had been settled as at the balance sheet date.

2.6 Provisions

No tax provisions were established.

The remaining provisions mainly comprise provisions for personnel expenses amounting to €107,000; vacation provisions amounting to €31,000; provisions for annual financial statement and audit costs amounting to €47,000; and provisions for legal and consulting fees amounting to €15,000. In addition, provisions amounting to €4,000 were established for employer's liability insurance associations and other services.

2.7 Fund for general bank risk

Since 2010/2011 fiscal year, it has been required by law that an amount corresponding to at least 10% of the net income from the trading portfolio must be added to the fund for general banking risks in each fiscal year and shown separately, up to a maximum of 50% of the portfolio's average net earnings over the past 5 years in accordance with Article 340e(4) of HGB. During fiscal year 2018/2019, special reserves (pursuant to Article 340e(4)(para. 2) (sentence 2)(no. 2) of HGB) were liquidated to offset the consolidated net loss.

2.8 Equity

Equity

The company's equity as at 30 June 2019 and 30 June 2018 amounted to €7 million. There was no change in this figure over the course of 2018-2019 fiscal year.

Capital reserves

Capital reserves changed relative to the prior year. As of 30 June 2019, it amounted to € 189,000 (previous year € 234,000). During 2018-2019 fiscal year, a total of €45,000 was withdrawn from capital reserves.

Balance sheet profit

The balance sheet profit amounted to €0 as at 30 June 2019.

2.9 Assets and liabilities in foreign currencies

Conversion of foreign-currency assets and liabilities as at the balance sheet date was effected in accordance with Article 256(a) of HGB in conjunction with Article 340h of HGB, at the mean spot exchange rate set by Deutsche Bundesbank and based on the euro reference rate.

The following items are included in the assets and are denominated in foreign currency

Receivables from banks	€	58,934.17
Liquidity reserves	€	40,876.03
Trading portfolio assets	€	<u>7,374.47</u>
	€	107,184.67
		=====

The following foreign-currency positions are included in the liabilities:

Liabilities to banks	€	330,245.97
Trading portfolio liabilities	€	<u>114,691.62</u>
	€	444,937.59
		=====

2.10 Breakdown by residual time to maturity pursuant to Article 9 of the RechKredV regulation

Customer receivables	€	15,065.70
- of which of indeterminate term	€	12,934.12
- of which with maturity of up to three months	€	2,131.58

2.11 Collaterals provided

Collaterals for loans and advances to banks and liabilities arising from the negative trading portfolio are provided (pursuant to the bank's standard terms and conditions and the Clearingvereinbarung agreement) by current-account bank balances, as well as securities on deposit amounting to €6,790,000.

Collaterals have also been established at Deutschen Börse AG amounting to €500,000 and at Börse Berlin AG amounting to €300,000.

3. Notes on the profit and loss statement

Other operating income includes income from the revaluation of current assets in the amount of €35,000, reimbursement of €18,000 in personnel costs in accordance with the Expense Compensation Act, income of €20,000 from the use of motor vehicles, and income from the liquidation of provisions amounting to €3,000.

Other operating expenses mainly comprise donations amounting to €6,000.

4. Other notes**4.1 Other financial obligations; contingent liabilities**

Based on current office-space leases, the bank was subject to other financial obligations as at the balance sheet date, within the meaning of Article 285(3a) of HGB amounting to €959,000. The aforementioned obligations will be spread across a period of 9 years and 9 months.

There are no contingent liabilities within the meaning of Article 251 of HGB.

4.2 Additional notes

All income was earned domestically.

The auditor's fee recorded for 2018/2019 fiscal year amounted to €20,000.

In 2016, a German labor court awarded the company €222,000 in connection with a case that was adjudicated there. Given that the attendant recovery measures were unsuccessful, no capitalization was carried out due to a lack of recoverability. This proceeding was not complete as at the date upon which the annual financial statements were prepared.

4.3 Futures pursuant to Article 36 of the RechKredV regulation

Currency futures consisted of the following, as at the balance sheet date:

Sale obligations	in thousand euros	Due date
CAD 30,200	20	2 July 2019

Purchase and selling obligations were converted into euros using the conversion rate at the time the transaction was concluded. All currency futures transactions were concluded in order to cover currency rate fluctuations and relate to commercial transactions.

The bank's portfolio contained no derivative financial instruments as at the balance sheet date.

4.4 Information pursuant to Article 285(20) of HGB

As at the balance sheet date, the bank's portfolio contained no financial instruments subject to measurement at fair value.

4.5 Number of employees pursuant to Article 285(7) of HGB

Over the course of fiscal year 2018-2019, in addition to the bank's two managing directors, it employed an average of 20 persons, 16 of whom worked in the securities-trading department and four in management positions.

4.6 Management

The bank is a limited liability company. The bank's chief executive officers are Arne Hellwig of Frankfurt am Main and Annick Kleine of Frankfurt am Main. The occupations exercised by these executive officers correspond to their positions in the board of the company. With regard to the salary information, the protective provision pursuant to Article 286(4) of HGB has been invoked.

Frankfurt am Main, 9 September 2019

Arne Hellwig
CEO

Annick Kleine
CEO