asknet
Enabling your eBusiness

ANNUAL REPORT 2018

SELECTED KEY FIGURES OF THE GROUP

in € million

		2013	2014	2015	2016	2017	**2018**
Transaction Revenues		95.72	101.80	83.20	73.96	68.39	**87.16**
Sales Revenues (excluding other operative income)		82.21	89.38	73.32	68.72	66.16	**85.84**
Cost of Materials		71.84	78.74	62.93	59.80	57.64	**76.39**
Gross Profit		10.38	10.64	10.39	8.92	8.52	**9.65**
Gross Profit Margin (of Sales Revenues)	in %	12.6	11.9	14.2	13.0	12.9	**11.2**
Personnel Expenses		4.98	5.41	5.19	5.37	4.95	**–5.57**
Other Expenses		5.35	5.18	5.21	5.35	4.94	**5.72**
EBIT		0.24	0.11	0.09	–1.65	0.59	**–1.86**
Financial Result		0.00	0.00	0.00	–0.18	–0.01	**–0.01**
EBT		0.24	0.11	0.09	–1.83	0.58	**–1.87**
Net Result		0.23	0.10	0.08	–2.50	0.07	**–1.83**

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ASKNET & NEXWAY AT A GLANCE

SINCE 1995
CLOUD BUSINESS SOLUTIONS

SINCE 2002 CONNECTING
AND MONETIZING THE DIGITAL WORLD

STRATEGIC
MAJORITY SHAREHOLDER
THE NATIVE
51,00 %

100 %
ACQUISITION OF
NEXWAY GROUP AS
OF 31 JANUARY 2019

2 BUSINESS UNITS:
eCommerce Solutions
Academics

ONE SINGLE
E-COMMERCE PLATFORM:
NEXWAY MONETIZE

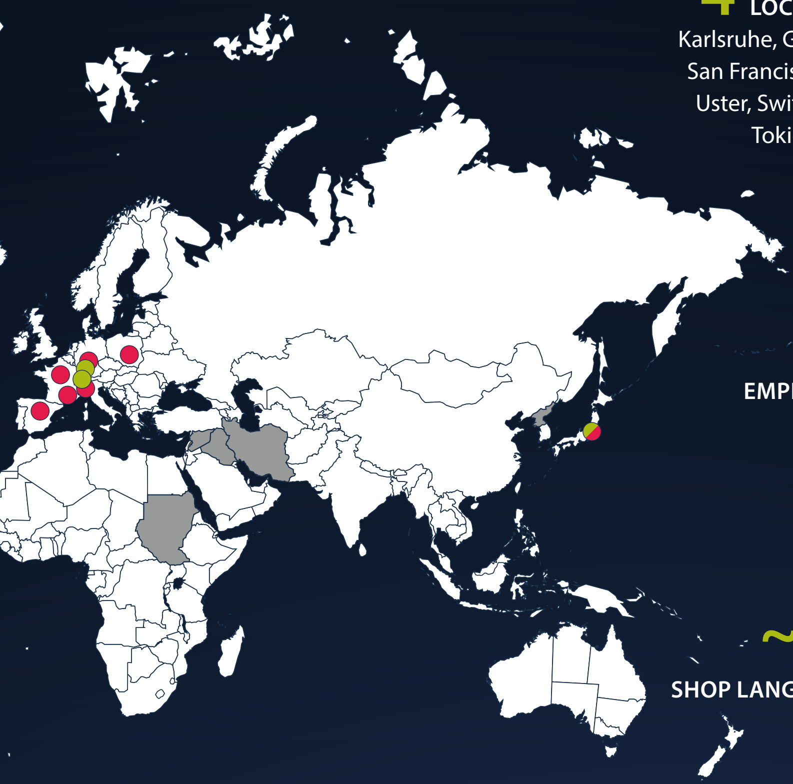
>190
DELIVERY COUNTRIES

>140
DELIVERY COUNTRIES

asknet

Nexway

Embargoed countries



4 LOCATIONS Karlsruhe, Germany San Francisco, USA Uster, Switzerland Tokio, Japan	**9** LOCATIONS Paris, France Madrid, Spain Nîmes, France San Francisco, USA Frankfurt, Germany Milan, Italy Katowice, Poland São Paulo, Brazil Tokyo, Japan
90 EMPLOYEES	**100+** EMPLOYEES
~30 SHOP LANGUAGES	**10** SHOP LANGUAGES
>30 SHOP CURRENCIES	**14** SHOP CURRENCIES

LETTER TO THE SHAREHOLDERS

ASTON FALLEN, CEO

› **Dear Shareholders,**

The financial year 2018 demonstrated asknet is now moving into a strong growth stage of its business development. To sustain and expand this growth, we decided in September 2018 to implement a new growth plan that has already translated into our 2018 financial performance through new business and customer wins. In the full year 2018 sales revenues grew by a strong 30 percent to 85.84 million euros and gross profit, our key performance indicator, rose by 13 percent to 9.65 million euros. This is a massive and convincing reversal of the four-year trend of declining sales and profits that had been achieved following the asknet ownership change in November 2017 and the new leadership it brought along.

„This is a massive and convincing reversal of the four-year trend of declining sales and profits."

On January 31, 2019 we have supplemented this strong organic growth with acquisition of 100 % ownership interest of Nexway Group AG including its 100% owned subsidiary Nexway SAS, effectively doubling the size of our business and augmenting our capabilities with the modern product and technological capacity of Nexway. The acquisition brought a roster of blue chip customers to asknet AG group and allowed asknet AG integrating a formidable team of professionals mostly based in France, thus expanding our presence from the core German market to France, and allowing for consolidation of our presence in some other key markets like North America and East Asia.

asknet AG and Nexway are building a unified company that will benefit from the increased scale of their operations as well as from their highly synergetic businesses.

An important synergy is their complimentary geographical footprints: asknet is active in German speaking markets, Northern Europe, Asia, particularly in China, and the USA, while Nexway is mainly present in the French-speaking, Southern European, and Latin America, as well the North American markets. Together, the newly formed group now has an important global footprint with much greater visibility and deeper penetration. Furthermore, both companies have substantial client portfolios without overlaps. Asknet brings an experienced and sophisticated sales team that can offer a now very modern and effective product portfolio to a growing customer base. Nexway in turn contributes its very professional marketing unit, which will give the entire group greater visibility worldwide. The two companies' target markets are not interconnected as asknet is very focused on the German academic market and on independent software vendors, while

Nexway has a very effective retail distribution system that covers a variety of target markets, and a strong presence in the security software space focused on end-user customers. Nexway's most important contribution to the partnership is its new technology. During the last several years Nexway has invested heavily in technology and created state of the art platforms. Today, it provides customer facing API – SaaS platforms that are particularly attractive to businesses wanting to offer increasingly sophisticated commerce solutions to an ever more demanding marketplace. As a result, the new combined group will increasingly offer Nexway's highly flexible e-commerce technology. Using one platform and gradually integrating special features developed for asknet's own customer base into the superior Nexway technology, will allow for measurable cost reduction, and facilitate scalability, as well as utilization in order to become a leading global Commerce-as-a-Service and Merchant Services provider.

We therefore decided to carry out a special depreciation on internally developed software directly impacting 2018 financial year results, leading to a loss of 1.86 million euros on EBT basis. This non-cash adjustment creates a conservative balance sheet basis for the consolidation of Nexway as of the 2019 financial year. Before depreciation and amortization, we achieved an operating result well above plan in 2018, which is reflected in a moderate EBITDA loss of –0.26 million euros.

In the current year, the new group will streamline its sales activities and product offering, reorganize its core units, and drive organic growth to become a leading global Commerce-as-a-Service and merchant services provider.

„In the current year, the new group will streamline its sales activities and product offering, reorganize its core units, and drive organic growth to become a leading global Commerce-as-a-Service and merchant services provider."

I would like to thank all our employees for their dedicated commitment in the past year and also an important thank you to our shareholders for their support.

Sincerely,
Aston Fallen

COMBINED MANAGEMENT AND GROUP MANAGEMENT REPORT FOR THE FINANCIAL YEAR*

FROM JANUARY 1 TO DECEMBER 31, 2018

GENERAL INFORMATION ABOUT THE GROUP

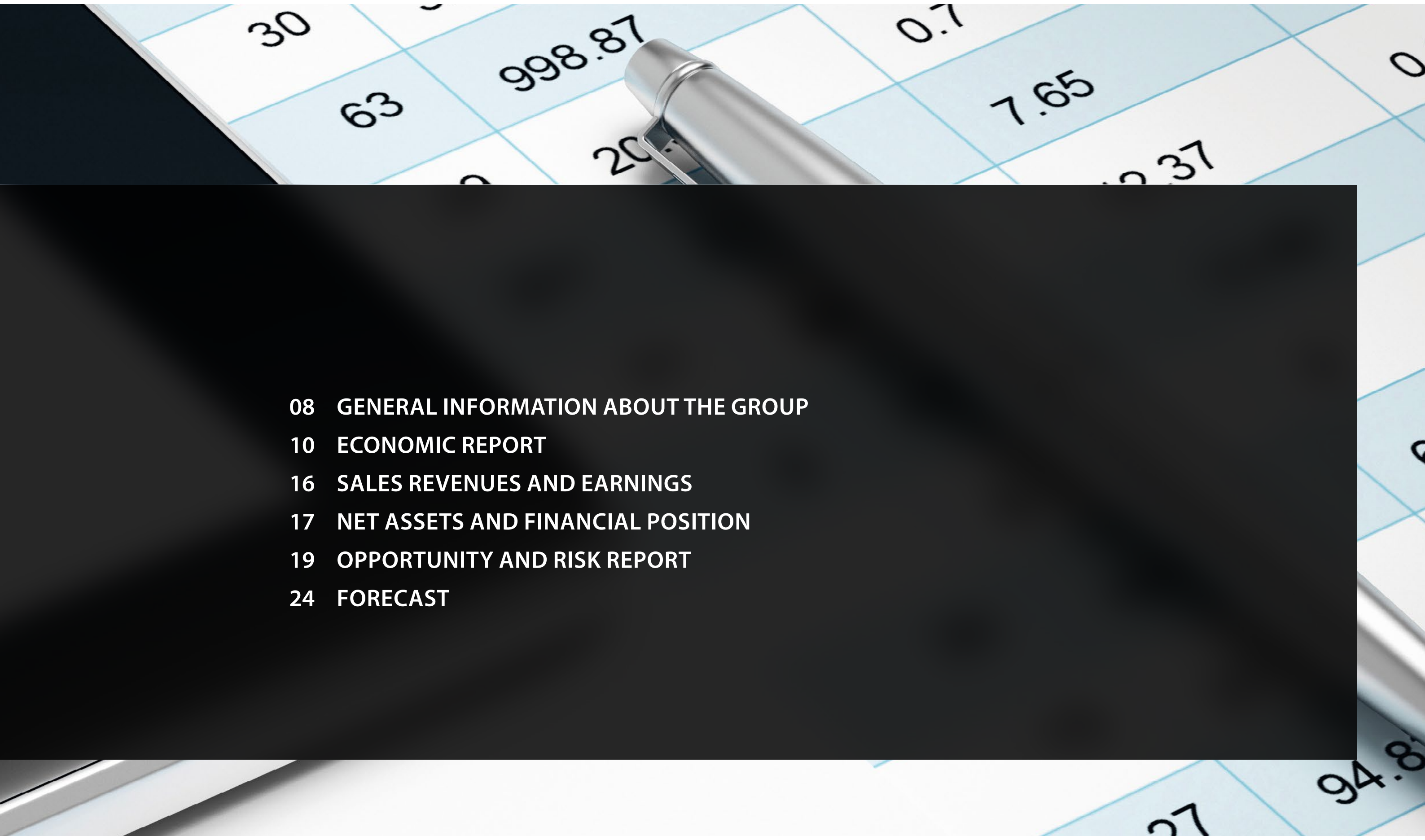
CORPORATE STRUCTURE AND BUSINESS MODEL

asknet is an innovative provider of e-commerce solutions for the global electronic distribution of digital and physical goods. The company has over 20 years of experience in the development of global e-commerce solutions, which makes it a pioneer of e-commerce. asknet enables publishers, manufacturers and merchants across the globe to successfully distribute their products online and organizes the procurement, distribution and management of software and hardware for customers from the research and education sectors. In the financial year 2018, the company was divided into two business units.

In the eCommerce Solutions Business Unit, asknet develops and operates online shops worldwide for manufacturers of digital and physical products. As a full-service provider, asknet handles the purchase process from product selection and payment processing to delivery of the goods to the end customer. This includes all the legal, commercial and technical requirements of an online shop, including the management of tax regimes, compliance with export restrictions and full handling of currencies, including the entire risk management process (merchant of record model). Starting from the shopping cart, asknet provides the technical solution with its asknet eCommerce Suite to create a seamless customer experience within a company's brand image.

asknet's Academics Business Unit offers a comprehensive range of software solutions and services relating to the procurement, distribution and management of software and hardware for customers from the research and education sectors. Via software procurement portals and master agreements, the company maintains business relations with over 80 percent of Germany's universities. Other important academic markets are

* In the report for the financial year 2018 asknet makes use of the option to publish a combined management report for asknet Group and asknet AG.



Switzerland, Austria and, since 2017, the Scandinavian countries (especially Norway). In addition, asknet distributes a wide range of software solutions for students via its well-established "studyhouse.de" platform.

asknet's outsourcing solutions stand out with their unrivaled coverage, flexibility and adaptability. The company's online shops support nearly 30 languages and enable customers to sell their products in more than 190 countries around the world. Shops are tailored to the specific requirements of each country. asknet's global e-commerce portfolio features more than 40 different payment methods and customer service in over 10 different languages.

asknet AG (the "company"), headquartered in Karlsruhe, is the parent company of asknet Group ("asknet", the "corporation", the "Group"). As of the reporting date December 31, 2018, the company directly held all the shares in asknet Inc., San Francisco, USA, asknet K.K., Tokyo, Japan, and asknet Switzerland GmbH, Uster, Switzerland. The subsidiaries are responsible for end customer service and are involved in the Group's sales activities. asknet Switzerland GmbH explicitly serves as a sales office for asknet's Academics Business Unit in the attractive Swiss university market. Since November 2017, asknet AG and its subsidiaries are part of the Swiss-listed global e-commerce services provider The Native SA, holding 51.00 percent of asknet AG.

On December 3, 2018, asknet AG signed a purchase agreement to acquire 100 percent of Nexway Group AG, the 100 percent owner of Nexway SAS, based in Paris - La Défense, France. Nexway SAS is a leading e-commerce services provider of solutions for monetizing digital business models and connecting companies to the global e-commerce market and a competitor of asknet AG. The acquisition was completed at the end of January 2019. Based on a new group structure, Nexway Group AG including Nexway SAS will be held as a 100 percent subsidiary of asknet AG and will be consolidated accordingly for financial year 2019. The combined asknet group will process and support global digital commerce around the world, meeting the requirements of global payments system, subscription models, and customer needs. The 2018 consolidated financial statements of asknet Group and AG remain unaffected.

CONTROLLING SYSTEM

Group planning and controlling are essentially based on the following key performance indicators: gross profit, gross profit margin and earnings before taxes (EBT).

Being a reseller and distributor of digital and physical goods, sales revenues are only of limited significance as a performance indicator for the asknet Group, given that sales figures merely document the amounts of product sales handled via asknet. However, turnover is an indicator of how the shops of the asknet Group's customers are performing. Transaction revenues are a similar technical indicator that additionally includes external sales handled with the help of asknet solutions for which the company receives a service fee.

The core performance of asknet, i.e. the handling of the purchasing, payment and delivery process of a product, is thus shown at the gross profit stage. This is why the gross profit margin is determined based on the ratio between gross profits and the portion of sales revenues that is relevant for accounting purposes.

The aim of asknet Group is to achieve a positive trend in gross profits and earnings before taxes (EBT) in order to increase the financial scope for ongoing technological and strategic development and to improve the company’s competitiveness. Reinvestments in corporate development and technology are the basis for success in the e-commerce market, which is characterized by dynamic technology cycles and fierce competition.

ECONOMIC REPORT

Macroeconomic and industry environment
According to the International Monetary Fund (IMF), the world economy grew by 3.6 percent in 2018, (2017: +3.7 percent). Economic strength increased in both the advanced economies (+2.2 percent) and the emerging and developing countries (+4.5 percent). In one of the most important sales markets for asknet customers, the USA, growth amounted to 2.9 percent in the reporting period. Economic activity in the eurozone rose by 1.8 percent, while the German and French economies each grew by only 1.5 percent.

The industries that are relevant for asknet Group include the international e-commerce markets and the global IT markets (software and IT services). The business activities of asknet's Academics Business Unit focus on the university sector in Germany, Austria and Switzerland (German-speaking region).

The dynamic growth of the global e-commerce market continued in 2018. According to the US market research company eMarketer, global B2C online trading grew by 23.4 percent to 2.8 trillion US dollars last year. According to another eMarketer projection the share of m-commerce (mobile) accounted for 63.5 percent already. Online wholesale (B2B) is also increasingly important. In the USA alone, Forrester Research estimates that B2B online trading volume was be around 1.1 trillion US Dollars in 2018. The B2B market is thus almost twice as large as the US B2C online market, which reached a volume of 505 billion US dollars in the reporting period according to eMarketer.

The IT markets are also continuing to grow, supported by the worldwide digitization of business processes. According to market analysts from Gartner, global IT spending rose by 3.5 percent to 3.7 billion US dollars in the reporting period. At 9.9 percent, the market for enterprise software recorded the strongest growth. Expenditure on IT services also rose significantly by 5.9 percent. According to the industry association Bitkom, the German IT market grew by 2.5 percent to a market volume of 89.9 billion euros. With growth of 6.3 percent, the IT software sector is also a significant growth driver here. Business with IT services increased by 2.3 percent.

The university market, which is important for the asknet Academics Business Unit, also developed positively in the reporting period. According to the German Federal Statistical Office, the number of students at German universities grew by 0.8 percent to 2.87 million in the 2018/2019 winter term, while at the same time public expenditure on universities rose from 30.6 billion euros to 31.1 billion euros (plan approach for 2018). According to Statistik Austria, the number of students at Austria's universities decreased insignificantly by 0.1 percent to 382,945 in the 2017/2018 winter term, while in Switzerland, the Statistical Office reported an increase of 1.6 percent to around 247,905 public students for the academic year 2017/2018.

Impact of the general market conditions on asknet Group
As a global supplier of software solutions and IT services for the online distribution of digital and physical goods, asknet continues to benefit from the shift in retail sales to the internet and the changing user and payment behavior, which give asknet the opportunity to win additional manufacturers operating in the fast-growing e-commerce markets as new customers.

asknet's e-Commerce Solutions Business Unit generally has a good position based on its proven solutions and continuous investment in technology. However, the market segment for full-service solutions, which allow manufacturers to outsource the international online distribution of their products, is at an advanced stage of development and asknet is caught in fierce competition for market share with other e-commerce suppliers also resulting in price wars. The acquisition of Nexway Group at the end of January 2019 and the ongoing consolidation and integration are creating new and vast opportunities in the market for Commerce-as-a-Service platforms and merchant services. Both companies operate highly synergetic businesses with complementary technical capabilities, customer bases, and geographic footprints. By combining their strengths and capabilities, asknet AG and Nexway SAS are now building a unified company that benefits from these complementarities and the new scale of operations as well as a strong leadership team and the solid shareholder base of asknet AG with the majority shareholder The Native SA.

asknet's Academics Business Unit has an outstanding market coverage and high profile in software reselling at universities and research institutions in the German-speaking region and benefits from the continued increase in student numbers in these countries. But margins for the sale of software licenses are continuously decreasing. asknet therefore aims at using its strong customer relationships and partnerships to create new products, more comprehensive services and to increase its vertical integration as well as its geographical footprint.

BUSINESS PERFORMANCE OF ASKNET AG AND THE GROUP IN 2018

New growth plan: accelerating current growth

After a fundamental change in the last three years, asknet has been in a strong growth phase of its business development since the end of 2017. In order to continue and expand this growth, asknet systematically invested in new sales resources in 2018.

In the Academics Business Unit, additional employees were hired in the beginning of 2018 to support the new sales partnership with ANSYS Inc., the global leader in simulation software. In the eCommerce Solutions Business, new sales resources were being installed in the second half of the year in the USA and Asia to tap the potential identified in these markets, where many new publishers and manufacturers are trying to gain a foothold in the global online market and rely on full-service suppliers such as asknet.

On September 27, 2018, the Supervisory Board and the Executive Board of asknet AG decided to implement a new growth plan for the company. Encouraged by the strong performance and high customer demand in the first half of 2018, the new plan aims at accelerating growth through additional high investments in the business, both on corporate level and in the business units. The main focus lies on funding the reinforcement of staff in the areas of sales and marketing.

To finance this growth plan, it was also decided to execute a cash capital increase that was completed on October 23, 2018. By issuing 93,395 new shares at a subscription price of 10.50 euros per share, asknet AG received net proceeds in the amount of 980,647.50 euros. The proceeds of the capital increase are mainly used to finance the further growth of the Group, in particular by increasing sales and marketing personnel in both of the issuer's business areas. Furthermore, the company will invest in its technological development, i.e. for the continuation of investments in product development. Existing shareholders, who were granted their statutory subscription rights, underwrote until the end of the subscription period on October 19, 2018 1,201 shares in the amount of 12,610.50 euros. Nexway Group subscribed the remaining 92,194 shares in the amount of 968,037 euros. In connection with this investment, asknet and Nexway started discussing a long-term strategic partnership.

Acquisition of Nexway Group

On December 3, 2018, asknet AG entered into a share purchase agreement to acquire 100 percent of Nexway Group AG, the 100 percent owner of Nexway SAS, a French e-commerce services competitor of asknet AG based in Paris-La Défense.

To finance the acquisition of Nexway, the subsequent integration and an accelerated growth plan of an expanded asknet AG, the company simultaneously resolved a capital increase of 450,000 new shares of asknet AG to be issued at a price of 12 euros per share, with the preemptive rights granted to all of the existing shareholders of asknet AG. The capital increase in the total amount of 5,400,000 euros is fully guaranteed by an investor and is to be completed until June 30, 2019.

After the reporting period, at the end of January 2019, asknet AG completed the acquisition. The combined group will process and support global digital commerce around the world, meeting the requirements of global payments system, subscription models, and customer needs. By combining their strengths and capabilities, asknet AG and Nexway SAS are now building a unified company that benefits from the new scale of their operations as well as highly synergetic businesses.

The main synergies include the following aspects:

- **Geographical footprint:** asknet is active on the markets in Germany, Northern Europe, Asia and the USA, while Nexway is mainly present on the French-speaking, Southern European, Latin American and US markets. Together, the newly formed group gains an important global footprint with much greater visibility.
- **Substantial client portfolios without overlaps:** The two companies have large client portfolios and databases without compromising each other's existing clients, and yet offer every opportunity to work in new markets.
- **Technology:** Nexway, founded 2002, has been heavily investing in new technology in the past years. Today, it provides a customer-facing API SaaS that is particularly attractive to customers with a sophisticated commerce strategy and landscape. Therefore, the new combined group will primarily utilize Nexway's e-commerce platform technology.
- **Sales and Marketing capabilities:** asknet has an experienced and sophisticated sales team that can offer a very effective product portfolio to a growing customer base. Nexway in return possesses an experienced and professional marketing unit, which will give the entire group greater visibility in the market.
- **Target markets:** Each of the companies' businesses has specific target markets that the other was not exposed to. While asknet is very focused on the academic market (with client relations to 90 percent of the German-speaking universities) and on software vendors, Nexway has a very effective distribution system that covers a variety of target markets and end customers.

In the coming months, the new group will streamline its sales and offerings, reorganize its core units and drive organic growth. New and emerging sales frontiers consistent with market trends are to be identified. Furthermore, the technology stacks are to be updated and merged step by step to build a single strong platform. New asknet customer shops are already being launched on Nexway technology, existing asknet shops will be migrated step by step over the next few years if requested by the customers. By using one platform and gradually integrating special features of the asknet platform into the superior Nexway technology, costs can be reduced and scalability as well as utilization increased to become a leading global Commerce-as-a-Service and merchant services provider.

The combined company will offer the industry's most comprehensive product and service suite in the subscription billing and e-commerce space, linking payment model flexibility with advanced e-commerce, recurring revenue management, and marketing capabilities on a global level. Overall, the new asknet Group will roughly double the size of its business volume as a result of acquiring Nexway Group.

High customer demand in both business units

In the financial year 2018, the asknet Group recorded high customer demand and a strong performance in the online shops it operates. After an impressive top line growth and a high number of customer gains in the first half 2018, the hiring of additional senior sales personnel and expanded activities based on the new growth plan led to additional new business in the second half of 2018.

In the **eCommerce Solutions Business Unit**, asknet AG acquired a large number of new customers in 2018. Some new client shops were already completed in the reporting period and thus contributed to the good overall business performance. In addition, new online shops that had been launched in the second half of 2017 were further ramped up, leading to a significant increase in sales revenues and consequently to rising gross profits. Furthermore, customizing projects were implemented for several new customers, helping to further intensify asknet's customer relationships.

In the **Academics Business Unit** asknet AG welcomed further new customers as well and expanded its geographic footprint with new public and state-accredited universities and colleges as clients. Other important operational developments in the Academics Business Unit included the implementation of new sales partnerships and the creation of a partner network for the ongoing internationalization of the distribution channels. The partnership with ANSYS, the world's leading manufacturer of simulation software, was intensified and the first major licenses were sold to customers from the research and educational sectors.

Furthermore, asknet launched a new Microsoft Office 365 complete package. In addition to selling Microsoft software products for universities, asknet AG now also manages the distribution of licenses for Office 365 ProPlus, including customer support. Academic customers thus benefit not only from attractive discounts when purchasing software via asknet, but also from the professional and efficient administration of the licenses.

SALES REVENUES AND EARNINGS

The asknet Group recorded very dynamic business performance in financial year 2018 and, for the first time since 2014, was able to generate rising sales revenues and gross profits again, and this to a considerable extent. In its first forecast for 2018, the Executive Board of asknet AG had assumed a significant increase in gross profits at Group level and a slightly positive operating result (EBT). In connection with the new growth strategy, the company revised in September 2018 its targets for 2018. While the new investments would already make a positive contribution to high sales and gross profit growth in the full year 2018, negative earnings before taxes (EBT) were accepted in favor of stronger growth. In the course of advancing the integration of Nexway Group, asknet decided in March 2019 to carry out special depreciations on internally developed software (pre-Nexway acquisition) already for the 2018 financial year, leading to a loss of 1.86 million euros on EBT basis.

This non-cash adjustment follows the strategic decision to primarily utilize Nexway's e-commerce platform technology. By using one platform and gradually integrating special features of the asknet platform into the superior Nexway technology, costs can be reduced and scalability as well as utilization increased to become a leading global Commerce-as-a-Service and merchant services provider. Before depreciation and amortization, asknet Group achieved an operating result well above plan, which is reflected in a moderate EBITDA loss of –0.26 million euros.

The following paragraph provides a detailed description of the Group’s and asknet AG’s sales and earnings performance.

In the financial year 2018, the **asknet Group** processed around 1.40 million transactions in its two business units. Transaction revenues generated rose by 28 percent to 87.16 million euros (previous year: 68.39 million euros). Sales revenues, which form the basis for the Group’s gross profits used to cover its costs, grew by a strong 30 percent to 85.84 million euros in the reporting period (previous year: 66.16 million euros). The increase is partly due to the high number of new customers acquired in the eCommerce Solutions Business Unit and the fact that asknet was able to set up some of those new client shops already in the reporting period. In addition, new shops that had been set up in the second half of 2017 were further ramped up, which led to an additional increase in sales revenues. asknet AG also gained further new customers in the Academics Business Unit, which contributed to the good sales revenues’ development.

Capitalized own work amounted to 0.93 million euros (previous year: 1.64 million euros), whereas other operating income decreased from 0.95 million euros to 0.66 million euros. The Group's total operating performance rose by 27 percent to 87.42 million euros.

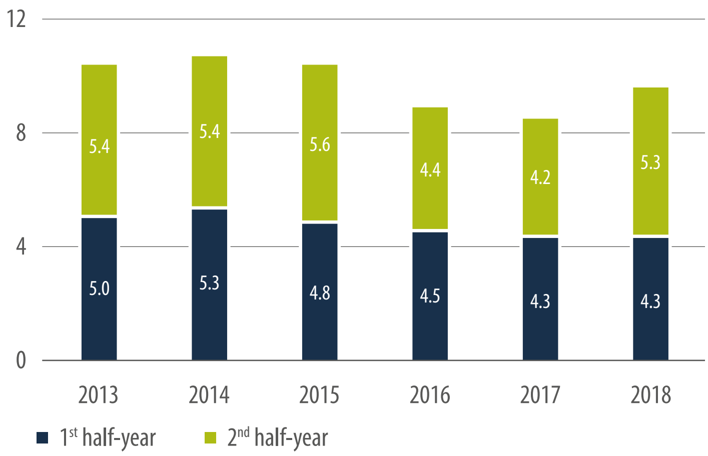
The increase in sales revenues was offset by an increase in the cost of purchased goods and services by around 32 percent to 76.40 million euros.

Based on a strong second half of 2018, gross profit, the key performance indicator for the asknet Group's business, rose by 13 percent to 9.65 million euros. Gross profit growth was achieved solely in the eCommerce solutions Business Unit. Despite a significant increase in sales, the Academics Business Unit recorded a decline in gross profits due to lower margins in the distribution of software from major vendors. The gross profit margin, based on sales revenue, fell from 12.9 percent to 11.2 percent, essentially because of the lower performance in the Academics Business Unit.

Personnel expenses in the asknet Group rose by 13 percent to 5.57 million euros in the past financial year (previous year: 4.95 million euros). This was due to the implementation of the growth plan launched in late summer 2018 and the associated hiring of additional experienced sales employees. With 58 percent, personnel expenses as a percentage of gross profit were at the previous year's level. Other operating expenses rose by 16 percent to 5.72 million euros due to higher transaction costs, which were incurred as a result of the significant increase in revenues handled by asknet.

The significant increase in depreciation by 1.19 million euros to 1.6 million euros is directly attributable to the acquisition of the Nexway Group, as it is based on the strategic decision to primarily utilize Nexway's e-commerce platform technology, triggering write-downs of asknet pre-Nexway capital expenditures. This depreciation will create a conservative balance sheet basis for the consolidation of the Nexway as of the 2019 financial year.

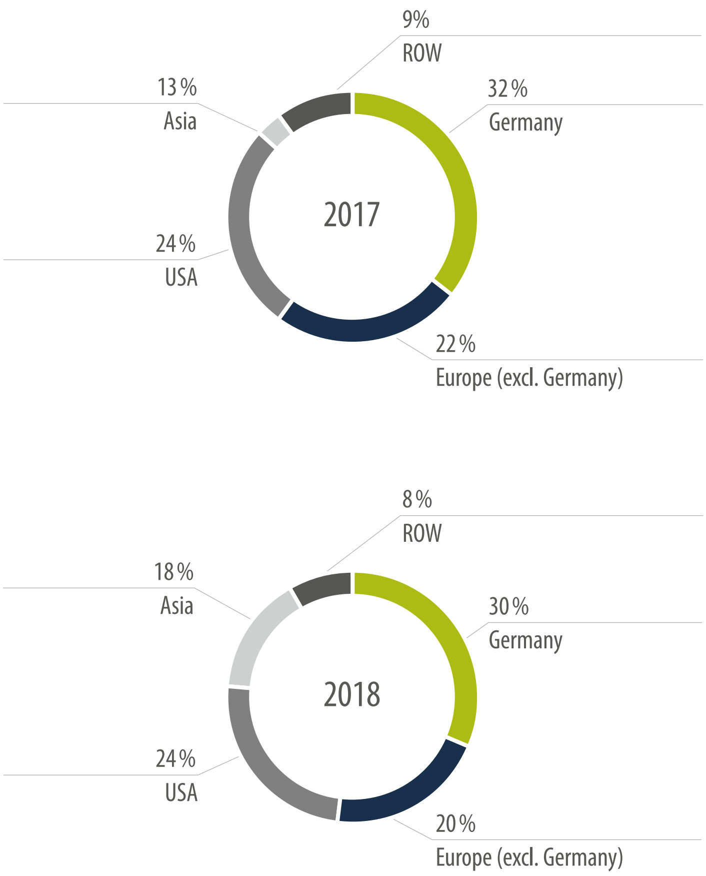
Gross profits, semi-annual
in € million



The asknet Group's earnings situation in the financial year 2018 was dominated by the new growth plan and the acquisition of Nexway Group. With an EBITDA of –0.26 million euros before depreciation and amortization, asknet Group clearly exceeded projections according to the September 2018 growth plan. Including the above-described non-cash-effective special depreciations, EBIT amounted in the asknet Group to –1.86 million euros (previous year: 0.59 million euros). Earnings before taxes (EBT) amounted to –1.87 million euros (previous year: 0.58 million euros) and the consolidated result to –1.83 million euros (previous year: 67 thousand euros).

In the reporting period, the asknet Group generated more than two thirds (69 percent) of its revenues outside Germany (previous year: 68 percent). The share realized in European countries (excluding Germany) amounted to 20 percent, after 22 percent in 2017. The US-share remained with 24 percent at the prior-year's level. The share of revenues generated in Asia rose to 18 percent (previous year: 13 percent), underscoring the growing importance of this region for asknet. With 30 percent in the reporting period, Germany remained the largest single market in terms of sales revenues (previous year: 32 percent).

Sales revenues by regions
in %



Sales revenues of **asknet AG** as an individual company rose in the financial year 2018 by 30 percent to 85.84 million euros (previous year: 66.16 million euros), in line with the development of the Group. In consequence, the cost of purchased goods also grew strongly by 32 percent from 57.87 million euros at the end of 2017 to 76.39 million euro as of the reporting date.

Own work capitalized amounted to 0.93 million euros after 1.64 million euros in the previous year. Other operating income decreased from 0.95 million euros to 0.65 million euros. Total performance of asknet AG rose to 87.41 million euros (previous year: 68.75 million euros).

Gross profit in the asknet AG amounted to 9.65 million euros in line with the Group's income and were thus 13 percent above the previous year's figure of 8.52 million euros. The gross profit margin of asknet AG related to sales amounted to 11.2 percent (previous year: 12.9 percent).

Personnel expenses increased from 4.67 million euros by 10 percent to 5.15 million euros in the financial year 2018, while other operating expenses amounted to 6.18 million euros in the reporting period at asknet AG, compared with 5.23 million euros in 2017.

As it was the case in the Group, the earnings situation 2018 of asknet AG was dominated by the new growth plan and the acquisition of Nexway Group. The EBITDA amounted to –0.30 million euros, the operating result (EBIT) including depreciations and amortizations amounted in the asknet AG to –1.90 million euros (previous year: 0.56 million euros). Earnings before taxes (EBT) amounted to 1.91 million euros (previous year: 0.55 million. The balance sheet result under commercial law in the reporting period amounted to –1.80 million euros (previous year: 51 thousand euros).

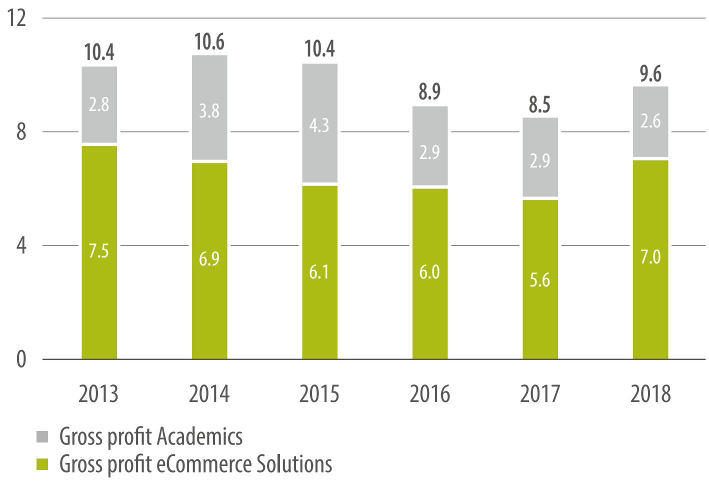
PERFORMANCE OF THE BUSINESS UNITS

The performance in the asknet Group's business units in the financial year 2018 was characterized by a significant expansion of the business activity.

In the **eCommerce Solutions Business**, the successful ramp-up of new shops led to a 29 percent increase in revenues, totalling 66.58 million euros (previous year: 49.25 million euros). Gross profit in this business unit also increased significantly by 26 percent to 7.04 million euros. The slightly under-proportional increase is in particular due to the larger number of small and medium-sized customers, which results in a weaker margin on the one hand, but a broader and more stable customer spectrum on the other.

In the **Academics Business Unit**, asknet also recorded a strong increase in sales revenues, up to 14 percent from 16.91 million euros to 19.26 million euros. Despite the strong revenue growth, in particular as a result of the new sales partnerships, gross profit fell by 12 percent to 2.58 million euros. This decline is mainly due to lower margins in the distribution of software from major vendors.

Gross profits by business units
in € million



NET ASSETS AND FINANCIAL POSITION

The **asknet Group's** balance sheet decreased slightly by 2 percent to 11,05 million euros as of December 31, 2018 (December 31, 2017: 11.22 million euros).

On the assets side, the value of intangible assets decreased by 20 percent to 2.32 million euros. This is mainly caused by lower capitalization of software development costs and a higher depreciation of industrial property rights and similar rights.

Shares in affiliated companies amounting to 0.5 million euros were recorded as of the balance sheet date in December 2018 as part of the signing of a share purchase agreement to acquire 100 percent of Nexway Group AG, the 100 percent owner of Nexway SAS. In total, fixed assets fell by 4 percent to 2.97 million euros (previous year: 3.11 million euros).

At 7.94 million euros, current assets were almost at the previous year's level (December 31, 2017: 7.98 million euros). The decline in cash and cash equivalents (–13 percent to 3.87 million euros) was offset by a significant increase in trade receivables (+16 percent to 3.68 million euros) due to the increased volume of business and balance sheet date effects.

On the liabilities side, equity decreased from 2.14 million euros to 1.32 million euros, which is mainly attributable to the consolidated balance sheet loss of 1.67 million euros recorded in the financial year 2018. The Group equity ratio on the balance sheet date was 12 percent (December 31, 2017: 19 percent). It should be noted that asknet reports this loss as a result of write-downs in preparation for the consolidation of Nexway Group and that the 2018 balance sheet does not include the assets and liabilities of the acquired company to the same extent.

Provisions were reduced by 18 percent to 2.21 million euros. Trade payables increased by 11 percent to 5.20 million euros as of the reporting date, mainly as a result of the higher business volume. Other liabilities increased by 77 percent to 1.90 million euro mainly due to higher liabilities to tax authorities. Total liabilities rose by 23 percent to 7.11 million euros. Due to the capitalization of software development costs, deferred taxes in the amount of 0.41 million euros (December 31, 2017: 0.49 million euros) had to be recognized.

The operational performance of the asknet Group was, despite high investments in additional sales resources, almost positive, reflected in a cash flow from operating activities in 2018 of –0,1 million euros. Cash flow from investing activities amounted to –1.49 million euros as a result of capitalization, mainly of software development costs. Cash flow from financing activities amounted to 0.97 million euros, due to the capital inflow from the capital increase completed in October 2018.

The Group's total financing is managed by asknet AG, which provides the Group companies with sufficient cash and cash equivalents. In addition, sufficient credit lines are available, which were hardly utilized in the year under review. In the year under review, sufficient liquidity was thus available at all times.

The balance sheet total of **asknet AG** as of December 31, 2018 decreased only slightly to 10.93 million euros. In the previous year, the total assets of asknet AG had amounted to 11.10 million euros. Intangible assets fell by 20 percent to 2.32 million euros due to the lowered capitalization of software development costs. Fixed assets stood 3.13 million euros, down 4 percent in comparison to 3.27 million euros as of December 31, 2017. At 7.66 million euros, current assets were almost at the previous year's level. While cash and cash equivalents were just slightly under previous year's level, trade receivables increased by 16 percent to 3.68 million euros due to the higher volume of business and balance sheet date effects.

On the liabilities side, the subscribed capital increased by 17 percent to 654 thousand euros and the capital reserve by 65 percent to 2.26 million euros due to the capital increase conducted in 2018. As a result of the balance sheet loss of 1.80 million euros recorded in the financial year 2018, total equity fell from 1.98 million euros to 1.11 million euros. This resulted in an equity ratio of 10 percent (previous year: 18 percent).

Provisions fell by 19 percent to 2.19 million euros. Total Liabilities grew from 5.81 million euros by 24 percent to 7.22 million euros.

CORPORATE BODIES

With effect from the end of the Annual General Meeting on June 28, 2018, Tobias Kaulfuss resigned at his own request and for personal reasons from his position as CEO of asknet AG. Sergey Skatershchikov, then CFO of asknet AG, assumed his responsibilities as CEO. Furthermore, Tobias Kaulfuss replaced Serge Umansky in the Supervisory Board and was elected as its chairman.

On November 10, 2018, Norman Hansen resigned from the Supervisory Board and was replaced by Gilles Ridel, founder and former shareholder of Nexway SAS, by order of the Local Court of Mannheim on November 19, 2018.

In the course of the acquisition of Nexway SAS, Tobias Kaulfuss, previously Chairman of the Supervisory Board of asknet AG, stepped down from his position on December 3, 2018. Osman Khan, Chairman of the Board of Directors of The Native SA, the largest shareholder of asknet AG, became the new Chairman of the Supervisory Board. Aston Fallen, Executive Chairman of Nexway SAS and previously a long-standing Business Development Consultant at asknet AG, was appointed as the new CEO (Alleinvorstand) of asknet AG with immediate effect whereas the current CEO Sergey Skatershchikov stepped down. Aston Fallen is an experienced multi-national entrepreneur and C-level executive focused on building digital commerce businesses worldwide.

EMPLOYEES

As of December 31, 2018, asknet Group employed 90 people (including Executive Board, trainees and temporary staff), of which 82 were employed by asknet AG and 8 by the subsidiaries asknet Switzerland GmbH, the US subsidiary asknet Inc. and the Japanese subsidiary asknet K.K.

All employees share responsibility for the company's success. For this purpose, the Group has further refined its innovation management system (e.g. asknet.innovate), which supplies comprehensive input on the optimization of organizational processes as well as new business ideas. In addition, all employees have the opportunity to participate in asknet.academy, a series of internal further training courses, which has met with a very positive response.

REPORT ON RELATIONS WITH AFFILIATED COMPANIES PURSUANT TO SECTION 312 OF THE GERMAN STOCK CORPORATION ACT (AKTG)

The Executive Board of asknet AG has prepared a report on relations with affiliated companies for the financial year from January 1 to December 31, 2018 in accordance with section 312 of the German Stock Corporation Act (AktG). The report contains the following final statement:

The Executive Board declares that all transactions were made on terms equivalent to those that prevail in arm's length transactions, based on the circumstances known to it at the time when such transactions were made. Other measures within the meaning of section 312 AktG were neither taken nor omitted.

OPPORTUNITY AND RISK REPORT

OPPORTUNITIES

The asknet Group sees great opportunities in an international e-commerce market that continues to be highly dynamic.

Over the past financial years, asknet implemented several change programs involving far-reaching analyses, reforms and restructurings. These activities were aimed at fundamental strategic and operational improvements and resulted in a new corporate culture and structure, which enable faster and more effective operation, provide resources for innovations and thus open up promising prospects for new growth. The financial year 2018 demonstrated that asknet is now moving into a strong growth stage of its business development. To sustain and expand this growth, asknet AG decided in September 2018 to implement a new growth plan for the company that already generated further growth through new business and customer wins.

In the midst of this new organic growth, the acquisition of the Nexway Group marks a milestone in the company's more than twenty-year history, raising the visibility and opportunities to a whole new level. asknet and Nexway SAS are now building a unified company that benefits from the new scale of their operations as well as highly synergetic businesses with complementary technical capabilities, customer bases, and geographic footprints. These synergies will help the company to significantly gain visibility and market share on the global markets for full service and merchant e-commerce services and solutions.

In the financial year 2019, the new group will streamline its sales and offerings, reorganize its core units and drive organic growth. New and emerging sales frontiers consistent with market trends are to be identified. Furthermore, the technology stacks are to be updated and merged step by step to build a single strong platform. New asknet customer shops are already being launched on Nexway technology, existing asknet shops will be migrated step by step over the next few years if requested by the customers. By using one platform and gradually integrating special features of the asknet platform into the superior Nexway technology, costs can be reduced and scalability as well as utilization increased to become a leading global Commerce-as-a-Service and merchant services provider.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The basis of the asknet risk management is a "Code of Conduct", which sensitizes the entire workforce to dealing with risks and to improve the identification, analysis, assessment, monitoring and control of the latter. Under the Code of Conduct, the management and the employees of asknet AG undertake to comply with all legal regulations and the Group's internal policies. This includes compliance with all laws and statutes potentially exposing the company to criminal or civil penalties as well as with the corresponding internal policies and regulations. In addition, the Code obligates management and employees to pursue asknet's mission through ethical and value-oriented business practices at all times.

Compliance with the Code is managed and monitored with a newly installed Compliance Representative whose activities include training, information and communication measures, the investigation of violations of the law and the implementation of compliance requirements. The Compliance Officer regularly reports to the Executive Board on violations and their sanctions as well as on preventive measures and other compliance-related aspects. Where matters of fundamental importance are concerned, the Compliance Officer reports not only to the Executive Board but also directly to the Chairman of the Supervisory Board. In addition, the Executive Board regularly informs the Supervisory Board about all relevant compliance issues that are relevant for the company, especially the status quo and the functioning of the compliance management measures as well as serious violations. All business units regularly report to the Compliance Officer. The employees of asknet AG are obliged to actively participate in compliance reporting.

In addition, as part of the risk management system, all risks are reassessed at least on a recurring basis by the Finance Department, management and the Executive Board. In the context of the risk management system asknet monitors over 30 risk positions, which are divided into strategic, operational, legal and other risks. Financial risks are also monitored separately through a monthly review of key performance indicators (sales revenues, gross profits, gross profit margin, earnings before taxes (EBT)) and other indicators. The aim is to use the financial figures and performance indicators to prevent potential risks from materializing and to adjust and manage the monthly and annual planning accordingly.

RISKS

The most important strategic, operational, legal and other risk positions monitored by asknet Group in the context of its revised risk management system are presented and assessed below. The strategic risks comprise corporate and industry risks as well as corporate strategic risks. Operational risks comprise performance, financial and human resources risks. In addition, there are legal and other risks of elementary nature.

Strategic risks

In order for the scalability of asknet's business model to develop its full potential, the company continues to depend on increases in gross profits that are independent of one-off effects or seasonal fluctuations. Whether or not a sustainable increase in gross profits is possible will depend in part on circumstances beyond asknet's control, for example overall economic developments, general consumer behavior, vendor product strategy, and the success of producers' marketing strategies as well as their products' market maturity and the resulting competitive pressure. The e-commerce sector in which asknet is active is also undergoing constant development and change. This allows for example the launch of new technologies or protocols as well as new general conditions that fundamentally influence the e-commerce market and the way products are sold online. Such developments and changes can at times be difficult to predict, meaning that possible risk, uncertainties, financial expenses, delays and obstacles relating to activities in a rapidly changing sector must be taken into account when determining the company's prospects of success. The markets addressed by asknet are generally characterized by intense competition. If the company fails to adapt to these developments and changes, this could have a negative impact on asknet's net assets, financial position, and operating results.

The reporting and Group currency is the euro. However, some business is conducted in other currencies. For this reason, periodic fluctuations in individual currencies can affect the revenues and profits of asknet. Potential exchange rate risks related to balance sheet items and anticipated cash flows are continuously monitored by the company and hedged using low-risk foreign exchange instruments where required.

The licensing situation for rented software may change because of manufacturers' new licensing patterns, which cannot be predicted by asknet. In such a case, asknet aims to respond to changing prices by adjusting its systems and/or using different software.

With a view to their probability of occurrence, asknet believes that the risks described above – separately and collectively – do not jeopardize the company's ability to continue as a going concern.

asknet has always maintained very close, long-term customer relationships. If, however, one or more key customers decided to terminate or fail to renew their contract with asknet, this would have a negative impact on the company's net assets, financial position, and operating results. When it comes to smaller competitors, asknet faces lower risks. With its portfolio of products and services, asknet has set itself apart from its smaller competitors, especially in terms of coverage of international markets and its flexibility in customizing its online shops. While the loss of a customer is a serious risk, its probability of occurrence is relatively low. asknet reduces its dependence on individual customers by continuously broadening the customer base by means of new customer groups, new product groups and the successful acquisition of individual customers. By winning customers in regions outside Europe, predominantly in Asia, the company also aims to reduce its dependence on key accounts and to change the composition of its top ten customers.

Another adverse effect on asknet's net assets, financial position, and operating results could arise if the expansion into other markets or new business segments turned out to be unprofitable in the long term. This is always the case when the costs associated with expansion (for localization, marketing, sales, etc.) are not more than offset by sufficient future profit growth. To prevent this from happening, the company conducts detailed analyses and reviews in a newly developed multi-stage business development process before implementing its expansion plans in order to reduce the risk of unprofitability to a minimum and check the profitability at an early stage of the process.

Another risk is associated with process optimization. Stretched resources may lead to project delays that can be quite considerable. In order to avoid this, a system has been established to ensure, also through the right delegation of responsibilities, that the execution of process optimizations runs as planned. The obsolescence of fixed assets is considered a risk with a significant impact, which the company aims to mitigate by selling such assets or writing them down over the longest period possible. asknet considers the occurrence of both risks to be possible and the mitigation measures described above are therefore energetically pursued.

Operational risks

For a company like asknet, which specializes in the online distribution of software, it is particularly important to keep the risks associated with its products and services to a minimum. The risk of the infrastructure no longer being competitive is a serious risk which asknet mitigates by successively improving the IT hardware, reviewing the possibilities for outsourcing and adapting it to current standards. The company considers the probability of occurrence to be relatively low. Where software and mobile phones are concerned, there is a risk that unauthorized third-party software is installed and data security is jeopardized. asknet considers the probability of occurrence to be unlikely and the impact to be rather low, as the registration and installation of tools are handled centrally and the company responds adequately to the latest developments and trends.

In addition, budget variance in terms of sales revenues could have an adverse impact on asknet's net assets, financial position and operating results. To avoid significant impacts, the company records its sales revenues and gross profits on a monthly basis and continuously adjusts its monthly and annual forecasts on this basis. asknet considers the probability of occurrence of this risk to be relatively low.

To prevent the concentrated outflow of cash resulting from a variety of different liabilities, asknet synchronizes the individual payment flows and therefore considers both the likelihood of occurrence and the impacts of the risk to be low.

With an equity ratio of 11.9 percent (previous year: 19.1 percent) and cash and cash equivalents of 3.87 million euros at the balance sheet date of December 31, 2018, at group level financing bottlenecks are not expected to occur in 2019. In the event that the company's capital requirements arise, the Executive Board is authorized, with the approval of the Supervisory Board, to increase the share capital on one or more occasions until June 17, 2020 by up to a total of 2,375,663 euros against cash and/or non-cash contributions by issuing new registered no-par value shares (Authorized Capital 2015).

In addition, the Company's share capital may be increased by up to a nominal amount of 1.5 million euros (Conditional Capital 2016) by August 22, 2021 through the issue of bonds with warrants, convertible bonds, profit participation rights or participating bonds. Should the transaction be executed, the subscription is guaranteed by The Native SA, but would be open to all shareholders of asknet AG. However, there are currently no concrete plans to make use of this option.

Various risks may arise with regard to the workforce: asknet's healthy basis comprises the highly qualified people employed by the Group. Employees' strong identification with the company and their long years of service ensure that they are highly motivated and productive. The personal skills and knowledge of asknet's employees are a decisive factor for the success of asknet Group. Staff turnover, e.g. as a result of frustrated employees, entails the risk of losing these competencies and therefore losing ground to competitors. This risk is mitigated by the effective promotion and development of employees, the creation of an appropriate working environment and the use of documentation tools for the preservation of knowledge. Targeted, pro-active recruitment, including for experienced external candidates for the top management level, enhances the company's human resources pool while at the same time stimulating creative thinking and methods. In addition, the company is challenged to realistically quantify provisions for bonuses based on individual objectives. The company mitigates this risk by monitoring the achievement of objectives on a regular basis. While asknet acknowledges the relevance of these risks, the company considers the probability of occurrence to be relatively low because of the precautions taken.

Legal risks

Legal risks may arise in different areas. These include, for instance, the failure to adapt insurance policies to changing conditions. While the impact of these risks could be significant, asknet considers their probability of occurrence to be rather low, as they are mitigated by a feedback process.

Unidentified changes in value added tax rates and changing regulations and limits represent a higher risk. In order to counteract these risks more effectively, a revision of the risk management was carried out in 2016 and processes were professionalized with external help so that changed requirements in individual supplier countries can be identified in a timely manner and the probability of such a risk occurring was significantly reduced.

At the beginning of 2011, the company became aware that a large number of credit memos did not meet the requirements of section 14 (1) to (4) of the German Value Added Tax Act (UStG) and therefore did not qualify for input tax deduction. Thereupon, the corresponding incorrect credit memos were corrected and corrected VAT returns were filed in a timely manner. Invoking the so-called Pannon Gép Centrum jurisdiction of the European Court of Justice as well as pending BFH appeal proceedings, an appeal was filed against both the refusal of the input tax deduction and the interest notices, and an application for a reduction of interest at equity was made. After rejection of the equitable application, an appeal against this rejection was filed. All appeals, with the exception of the 2005 assessment period, are currently suspended. The client has been granted suspension of execution in the full amount. On May 24, 2017, the financial court of Baden-Württemberg ruled in favour of the company in the case. The Karlsruhe tax office has filed an appeal against this ruling with the Federal Fiscal Court. The proceedings are conducted there under case number V R 48/17.

Risks related to the acquisition of the Nexway Group
The acquisition of the Nexway Group as of 31 January 2019 involves specific strategic, financial, operational and legal risks in addition to the opportunities described above. There is a risk that synergies will not occur to the extent currently expected by management. In addition, restructuring may result in personnel changes that adversely affect the company's performance. Moreover, unexpected financial risks may arise from the adoption of existing contractual and financial obligations.

The Company has identified and evaluated these risks prior to the acquisition and believes that the opportunities by far outweigh the risks. The company counters this risk by regularly monitoring the achievement of targets. Although asknet acknowledges the relevance of these risks, the company considers the probability of occurrence to be relatively low due to the precautions taken.

Other risks
A sudden technical breakdown or the discontinuation of outsourced IT services as well as unauthorized data access or the infection or manipulation of systems could influence the availability of shops and systems. This could not only damage the company’s image but also result in financial losses, which, in turn, could have a material negative impact on asknet’s net assets, financial position, and operating results. Wherever this makes sense, asknet takes specific measures to mitigate these risks.

Overall risk position
The company’s management believes that the challenges resulting from the above risks will again be mastered successfully in 2019. Besides those mentioned here, no material risks occurred or became known prior to the publication of this management report.

FORECAST

ANTICIPATED MACROECONOMIC AND SECTOR-RELATED DEVELOPMENTS

The IMF expects the global economy to grow by 3.3 percent in the current year 2019. With an increase in economic output of 4.4 percent, the group of emerging and developing countries is expected to exceed the growth of 2018. A slightly smaller increase of 1.8 percent is forecast for the industrialized countries. According to the IMF, economic growth in the USA is expected to amount to 2.3 percent, while the Eurozone's economic strength is expected to increase just by 1.3 percent. In France, the IMF expects economic output to rise by 1.3 percent as well. For Germany, a growth of 0.8 percent is forecast.

In the e-commerce market, the dynamic growth of recent years will continue. The US market research company eMarketer expects B2C online trading to grow by 21.5 percent to just under 3.5 trillion US dollars in the current year. According to eMarketer, an average annual growth of around 18 percent is expected by 2021. In its current forecast, the German Retail Association (HDE) predicts a growth of 9.1 percent to a volume of 58.5 billion euros for German online retailing.

Worldwide B2B e-commerce is also expected to grow strongly. Forrester Research expects investments of approximately 2.4 billion US dollars in B2B commerce platforms by 2021.

According to forecasts by the US analyst firm Gartner, worldwide IT spending will increase significantly once again in 2019 by 3.2 percent. The main drivers of this growth are the areas of enterprise software (+8.3 percent), IT services (+4.7 percent) and IT devices (+2.4 percent). The sentiment in the German IT sector is also positive. The digital association Bitkom expects a 6.3 percent increase in revenues in the current financial year in the IT software sector. The IT services segment is expected to grow by 2.3 percent.

The university market in the German-speaking region will show a positive trend in the coming years. The German Ministry for Education and Cultural Affairs expects an increase of 450,000 new students per year until 2020. According to Statistik Austria, the number of Austrian students is expected to rise to 423,000 by 2035 and thus by 14 percent within 20 years. According to the Swiss Statistical Office, despite the expected decline in population, the average number of students in Switzerland is expected to increase by 0.6 percent per year, so that the number of students at universities will reach 259,000 in 2025 – an increase of 9 percent within ten years.

COMPANY FORECAST

After a fundamental transformation over the past years and declining revenues and gross profits, 2018 marked a year of strong organic top-line growth for asknet. This newly generated growth is a strong foundation for successfully shaping one of the biggest milestones in the history of asknet AG, the acquisition of the Nexway Group. Overall, the consolidation and integration of Nexway creates a new group with leading technology, high visibility in international markets, experienced executives, strong product and service solutions, and long-standing lighthouse customers in key global markets.

The clear aim is to become a leading global Commerce-as-a-Service and merchant services provider.

Consequently, the Executive Board of asknet AG is optimistic about the financial year 2019, as the integration and consolidation of Nexway Group will result in a **substantial increase** in **sales revenues** and **gross profits** and asknet Group will roughly double the size of its business volume. As the shift to lower-margin businesses will continue, the **gross margin on sales revenues** will **fall slightly**. On the earnings side, it is planned to significantly reduce the loss and to generate **positive earnings on an adjusted EBT basis** (before extraordinary and restructuring costs pertinent to streamlining an expanded asknet AG organization).

asknet AG offers its stakeholders a high degree of transparency and security with the listing on the Basic Board of the Frankfurt Stock Exchange, which entails the publication of annual and semi-annual reports as well as compliance with the rules of the EU Market Abuse Regulation.

The asknet Group would like to thank all customers, business partners and investors for their confidence and all employees for their dedication and commitment in the financial year 2018.

Karlsruhe, April 30, 2019

asknet AG
– The Executive Board –

Aston Fallen (CEO)

ASKNET AG, KARLSRUHE

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

as of December 31
in €

		December 31, 2018	December 31, 2017
ASSETS			
A.	**Fixed Assets**		
I.	Intangible fixed assets		
1.	Self-created industrial property rights and similar rights	1,402,195.98	1,642,557.50
2.	Acquired industrial property rights and similar rights	919,220.8	1,268,856.29
		2,321,416.78	**2,911,413.79**
II.	Tangible fixed assets		
	Other equipment, operating and office equipment	150,904.63	196,896.63
III.	Financial assets		
	Advance payments on shares in affiliated companies	500,000.00	0.00
B.	**Current Assets**		
I.	Inventories		
	Merchandise	45,593.18	44,949.61
II.	Receivables and other assets		
1.	Trade receivables	3,681,212.27	3,166,262.47
2.	Other assets	340,344.98	305,882.02
		4,021,557.25	**3,472,144.49**
III.	Cash-in-hand, bank balances, cheques	3,873,977.11	4,462,641.47
C.	**Prepaid Expenses**	**135,560.38**	**134,413.95**
		11,049,009.33	**11,222,459.94**

		December 31, 2018	December 31, 2017
EQUITY AND LIABILITIES			
A.	**Equity**		
I.	Subscribed capital (Contingent capital € thousand 1,500, (previous year € thousand 1,500)	653,765.00	560,370.00
II.	Capital reserve	2,257,694.77	1,370,442.27
III.	Currency translation differences	76,379.36	56,075.83
IV.	Consolidated balance sheet result	−1,669,579.51	157,985.65
		1,318,259.62	**2,144,873.75**
B.	**Provisions**		
	Other provisions	**2,213,309.62**	**2,714,433.37**
C.	**Liabilities**		
I.	Liabilities to banks	67.05	0.00
II.	Trade payables	5,203,640.23	4,691,268.74
III.	Other liabilities of which taxes € 1,861,317.64 (previous year € 1,014,161.56) of which relating to social security and similar obligations € 6,080.71 previous year € 6,307.53)	1,901,484.81	1,073,399.16
		7,105,192.09	**5,764,667.90**
D.	**Deferred Income**	**0.00**	**109,869.92**
E.	**Deferred Tax Liabilities**	**412,248.00**	**488,615.00**
		11,049,009.33	**11,222,459.94**

CONSOLIDATED INCOME STATEMENT

January 1 until December 31, 2018

in €

		2018	2017
1.	**Sales revenues**	85,836,626.81	66,155,792.85
2.	Capitalized development activities	926,672.01	1,642,557.50
3.	Other operating income	657,560.66	949,477.74
		87,420,859.48	**68,747,828.09**
4.	**Cost of materials**		
	a) Cost of purchased merchandise	76,188,508.24	57,640,536.67
	b) Cost of purchased services	204,141.41	230,837.05
		76,392,649.65	**57,871,373.72**
5.	**Personnel expenses**		
	a) Wages and salaries	4,819,876.73	4,230,259.86
	b) Social security and post-employment of which in respect of old age pensions € 1,347.24 (previous year € 1,147.24)	749,141.00	714,824.35
		5,569,017.73	**4,945,084.21**
6.	Amortization and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	1,600,560.77	405,920.76
7.	Other operating expenses	5,718,423.57	4,936,605.63
		–1,859,792.24	**588,843.77**
8.	Interest and similar income of which from affiliated companies	26.66	70.77
9.	Interest and similar expenses	5,835.95	10,734.26
10.	Taxes on income and earnings thereof income from the reversal of deferred taxes € 76,367.00 (previous year € 488,615.00)	–39,573.18	496,784.01
		33,763.89	**–507,447.50**
11.	**Earnings after taxes**	**–1,826,028.35**	**81,396.27**
12.	Other taxes	1,536.81	14,877.97
13.	**Consolidated net income**	**–1,827,565.16**	**66,518.30**
14.	Result brought forward	157,985.65	–3,590,669.78
15.	Reduction of subscribed capital to cover for losses	0.00	4,584,855.00
16.	Allocation to capital reserves	0.00	902,717.87
17.	**Consolidated balance sheet result**	**–1,669,579.51**	**157,985.65**

CONSOLIDATED CASH FLOW STATEMENT

January 1 until December 31, 2018

in € thousand

		2018	2017
1.	**Cash flows from operating activities**		
	Consolidated net profit	–1,828	67
	Amortization and depreciation of fixed assets	1,601	406
	Loss on the disposal of depreciation and amortization charges on noncurrent asset	25	40
	Increase (+)/decrease (–) in provisions	–501	–392
	Increase (–)/decrease (+) in receivables and other assets	–551	845
	Increase (+)/decrease (–) in liabilities	1,154	–369
	Interest paid (+)/received (–)	6	11
	Cash flows from operating activities	**–94**	**608**
2.	**Cash flows from investing activities**		
	Purchase of intangible fixed assets	–928	–1,660
	Purchase of tangible fixed assets	–62	–64
	Payments made for investments in financial assets	–500	0
	Cash flows from investing activities	**–1,490**	**–1,724**
3.	**Cash flows from financing activities**		
	Proceeds from capital increase	981	5,054
	Payments from capital reduction	0	–4,585
	Interest paid	–6	–11
	Cash flows from financing activities	**975**	**458**
4.	**Cash funds at end of period**		
	Net change in cash funds (subtotal 1–3)	–609	–658
	Effect on cash funds of foreign exchange rate movements	20	–35
	Cash funds at beginning of period	4,463	5,156
	Cash funds at end of period	**3,874**	**4,463**
5.	**Components of cash funds**		
	Cash funds at end of period	**3,874**	**4,463**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Fiscal year 2017

in €

	Subscribed capital (ordinary shares)	Capital reserve	Consolidated balance sheet profit/loss	Currency translation differences	Group equity
Dec. 31, 2016	**5,094,283.00**	**50,000.00**	**–3,590,669.78**	**91,345.10**	**1,644,958.32**
Capital reduction	–4,584,855.00	902,717.87	3,682,137.13	0.00	0.00
Capital increase through payments from new shareholders	50,942.00	417,724.40	0.00	0.00	468,666.40
Consolidated net profit for the year	0.00	0.00	66,518.30	0.00	66,518.30
Other comprehensive result	0.00	0.00	0.00	–35,269.27	–35,269.27
Comprehensive result	–4,533,913.00	1,320,442.27	3,748,655.43	–35,269.27	499,915.43
Dec. 31, 2017	**560,370.00**	**1,370,442.27**	**157,985.65**	**56,075.83**	**2,144,873.75**
Jan 01, 2018	**560,370.00**	**1,370,442.27**	**157,985.65**	**56,075.83**	**2,144,873.75**
Capital increase through payments from new shareholders	93,395.00	887,252.50	0.00	0.00	980,647.50
Consolidated net profit for the year	0.00	0.00	–1,827,565.16	0.00	–1,827,565.16
Other comprehensive result	0.00	0.00	0.00	20,303.53	20,303.53
Consolidated balance sheet result	93,395.00	887,252.50	–1,827,565.16	20,303.53	–826,614.13
Dec. 31, 2018	**653,765.00**	**2,257,694.77**	**–1,669,579.51**	**76,379.36**	**1,318,259.62**

NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2018

ACCOUNTING PRINCIPLES

General information

These consolidated financial statements of asknet AG, headquartered in Karlsruhe (Amtsgericht Mannheim, HRB 108713), were prepared in accordance with section 290 et seq. of the German Commercial Code (HGB – Handelsgesetzbuch).

The additional disclosures required for individual items are included in the notes.

The fiscal year is the calendar year.

The consolidated income statement was prepared using the total cost accounting method.

Companies of asknet Group

The consolidated financial statements include the parent company asknet AG, Karlsruhe, Germany, as well as the wholly owned subsidiaries asknet Inc., San Francisco, USA, asknet KK, Tokyo, Japan, and asknet Switzerland GmbH, Uster, Switzerland, which are fully consolidated.

The financial statements of the companies included in the parent company's consolidated financial statements were prepared using uniform accounting and reporting policies.

Accounting and reporting policies

Internally generated commercial property rights and similar rights and assets are capitalized at cost (development costs) provided that there is at least a high probability on the balance sheet date that an asset will actually be created. The cost of production comprises the individually attributable costs from the consumption of goods and the utilization of services. Internally generated commercial property rights and similar rights and assets are written off systematically over their expected useful lives on a pro rata temporis basis using the straight-line method.

Acquired intangible fixed assets are carried at cost and, if they have a finite useful life, are amortized in accordance with the term of their useful lives.

Tangible fixed assets are carried at their acquisition or production cost and are subject to scheduled depreciation (straight-line method) in accordance with their expected useful life.

Since January 1, 2010, low value assets have been fully written off in the year of acquisition.

All other additions to tangible fixed assets are written down on a pro-rata temporis basis.

Advance payments made shown under **financial assets** are stated at their face value.

Inventory is carried at the lower of cost or market. Appropriate write-downs have been recognized for all identifiable inventory risks that result from reduced marketability and lower replacement costs.

With the exception of customary retention of title, inventories are free from third-party rights.

Receivables and other assets are carried at their face value. Adequate specific provisions are allowed for all items that carry risk. Write-downs to cover the general credit risk were no longer made in the reporting year 2018. The general allowance established in the past was released through income in the amount of 11 thousand euros.

Cash in hand and **bank balances** are recognized at their face value at the balance sheet date.

Payments made before the reporting date are recognized as **prepaid expenses** if they constitute expenses for a certain period after this date.

The **subscribed capital** and the **capital reserve** are carried at their face value. The capital reserve was formed in accordance with section 272 paragraph 2 no. 4 HGB.

Other provisions account for all contingent liabilities and impending losses from pending transactions. They are recognized at their settlement values required according to prudent commercial judgment (in other words taking into consideration future costs and price increases).

Liabilities are carried at their settlement values.

Deferred taxes resulting from differences between the commercial balance sheet and the tax balance sheet are recognized if they are expected to be reduced in later fiscal years. Deferred tax assets and liabilities are offset. If deferred tax assets exceed deferred tax liabilities as of the balance sheet date, no use is made of the capitalization option provided by section 274 paragraph 1 sentence 2 HGB.

All **foreign currency assets and liabilities** were translated into euros on the reporting date using the respective mean exchange rate. If these had remaining terms of more than one year, the realization principle (section 298 paragraph 1 in conjunction with section 252 paragraph 1 no. 4 half sentence 2 HGB) and the historical cost principle (section 298 paragraph 1 in conjunction with section 253 paragraph 1 sentence 1 HGB) were complied with. Current foreign currency receivables (remaining term of up to one year) as well as cash and cash equivalents or other current foreign currency assets are translated at the mean exchange rate on the balance sheet date in accordance with section 256a HGB.

All assets and liabilities of annual financial statements prepared in foreign currencies were translated into euros at the respective mean exchange rate prevailing on the financial statement date, with the exception of equity (subscribed capital, provisions, profit/loss carryforwards at historical exchange rates). Income statement items are translated into euros at the average exchange rate. The resulting translation differences are recognized in Group equity, below provisions in the item "Currency translation differences".

Consolidation principles

The capital consolidation for initial consolidations prior to 2010 was carried out using the book value method at the time of the initial consolidation. The capital consolidation for initial consolidations as of 2010 was carried out using the revaluation method.

Receivables and liabilities, as well as income and expenses between Group companies were eliminated. No eliminations of inter-company profits or losses were necessary.

EXPLANATORY NOTES TO THE BALANCE SHEET

Fixed assets

The changes in the individual fixed asset items during the fiscal year are presented in the fixed assets schedule together with the respective depreciation.

Receivables and other assets

As in the previous year, receivables and other assets have a remaining maturity of up to one year, with the exception of the "Solidarbürgschaft" (joint security) of the Swiss Tax Authority (21.5 thousand euros).

Bank balances

Of our bank balances, 150 thousand euros are reserved as collateral for aval commitments.

Equity

Subscribed capital

The subscribed capital amounts to 653,765.00 euros (previous year: 560,370.00 euros) and consists of registered no-par value shares (common stock). Each no-par value share represents one vote. The subscribed capital was fully paid up.

Authorized capital

At the ordinary annual general meeting of June 18, 2015, the Executive Board was authorized, with the approval of the Supervisory Board, to increase the share capital on one or more occasions by up to 2,520,000.00 euros by June 17, 2020 against cash or non-cash contributions by issuing new registered shares. Shareholders' subscription rights may be excluded.

Based on the authorization granted by the annual general meeting of July 18, 2015, the company's Executive Board decided on September 26, 2018, with the consent of the Supervisory Board, to use part of the authorized capital and to increase the company's share capital from 560,370.00 euros to 653,765.00 euros by issuing 93,395 new shares against cash contributions at an issue price of 10.50 euros per share in a rights issue (indirect pre-emptive right). The lowest issue price is 1.00 euro per share. The excess amount of 887,252.50 euros was allocated to the capital reserve.

Contingent capital

At the extraordinary general meeting on August 23, 2016, the Executive Board, with the approval of the Supervisory Board, was given authorization, extending until August 22, 2021, to issue on one or more occasions bearer or registered warrant bonds, convertible bonds, profit participation rights and/or income bonds or a combination thereof (collectively referred to as "bonds") in a total nominal amount of up to 3,000,000.00 euros with a maximum term of 10 years and to grant to or impose on the bearers or creditors of warrant bonds or warrant participation rights or warrant income bonds option rights or duties or to grant to or impose on the bearers or creditors of convertible bonds or convertible participation rights or convertible income bonds conversion rights or duties to up to 1,500,000 new registered shares of asknet AG with a pro-rata amount of the share capital totaling 1,500,000.00 euros in accordance with the conditions of these bonds. In addition to euros, the bonds may also be issued in the legal currency of an OECD country limited to the corresponding value in euros. They may also be issued by a subordinated Group company of asknet AG; in this case, the Executive Board is authorized, with the approval of the Supervisory Board, to issue a guarantee on behalf of asknet AG for the bonds and to issue to or impose on the bearers or creditors warrant and convertible rights or duties to registered shares of asknet AG.

Other provisions

Other provisions were essentially established to cover outstanding vendor invoices , leave entitlement and special bonuses and severance payments as well as year-end accounting costs.

Liabilities

As in the previous year, all liabilities have a remaining maturity of up to one year and are not collateralized.

Deferred taxes

After netting of deferred tax assets and deferred tax liabilities (comprehensive balance sheet method), there was a deferred tax liability of 412 thousand euros as of the balance sheet date of December 31, 2018. The differences between the commercial balance sheet and the tax balance sheet, which resulted in deferred tax liabilities, are primarily the result of the prohibition to capitalize internally generated intangible assets in the tax balance sheet. Deferred tax assets resulted from the recognition of different values for other provisions.

The table below shows the deferred taxes and their changes in the fiscal year 2018:

in € thousand	Dec. 31, 2017	Addition[1]	Disposal[1]	Dec. 31, 2018
deferred tax assets	19	21	–19	21
deferred tax liabilities	–507	–286	360	–433
Total	**–488**	**–265**	341	**–412**

[1] Recognized in "Income tax".

EXPLANATORY NOTES TO THE CONSOLIDATED INCOME STATEMENT

Sales revenues

in € million

	2018	2017
SALES REVENUES BY BUSINESS UNIT		
eCommerce Solutions	66.58	49.25
Academics	19.26	16.91
	85.84	**66.16**
SALES REVENUES BY REGION		
Germany	25.75	21.15
Europe (excl. Germany)	17.17	14.42
USA	20.60	16.01
Asia	15.45	8.74
Other countries	6.87	5.84
	85.84	**66.16**

Other operating income

Other operating income included income from currency translation in the amount of 196 thousand euros (previous year: 332 thousand euros).

Other operating expenses

Other operating expenses included expenses from currency translation in the amount of 333 thousand euros (previous year: 434 thousand euros).

Amortization and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets

The development costs capitalized in 2017 were amortized for the first time in 2018 in the amount of 328 thousand euros. The item also includes impairment losses on development costs in the amount of 839 thousand euros.

EXPLANATORY NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

As in the previous year, "cash funds" comprised cash and bank balances. 150 thousand euros of these cash funds remained subject to drawing restrictions.

OTHER DISCLOSURES

RESEARCH AND DEVELOPMENT COSTS

Research and development costs in the fiscal year 2018 totaled 1,424 thousand euros of which an amount of 927 thousand euros relates to internally generated intangible assets.

OTHER FINANCIAL OBLIGATIONS

asknet has other financial obligations in the form of rental agreements and leases in the amount of 703 thousand euros.

Total financial obligations of the Group:

in €

	Rent	Leasing	Total
Due within one year	180,561.36	32,909.24	213,470.60
Due within one to five years	466,555.39	22,788.57	489,343.96
Due after five years	0.00	0.00	0.00
	647,116.76	55,697.81	**702,814.57**

Property leases relate to the company's head office in Germany, the branch office in Switzerland as well as to the customer service locations in Japan and the USA. The leasing agreements are operating leases, under which the properties are not accounted for by the company. The advantage of these agreements is that less capital is tied up compared to the acquisition of the properties and that the realization risk is eliminated. Risks may arise from the duration of the agreement if the properties can no longer be fully used, of which there are no signs, however.

In a transaction agreement concluded on December 9, 2016, asknet AG committed to a total turnover regarding certain licenses in the amount of 1,555 thousand euros in the contractual period ending on December 31, 2021.

EMPLOYEES

During the fiscal year, the Group employed an average number of 84 employees in Germany (previous year: 78) and 8 abroad (previous year: 7; not including Executive Board, trainees, and temporary employees).

CORPORATE BODIES

Executive Board

In the fiscal year, the Executive Board was composed of:

- **Aston Anthony Fallen**, MBPA, Frankfurt a.M., (since December 3, 2018) – sole member of the Executive Board
- **Tobias Kaulfuss**, Dipl. Kaufmann, MBA, Essen/Germany (until June 28, 2018)
- **Sergey Skatershchikov**, MBA, Moscow/Russia (from November 16, 2017 to December 3, 2018)

In accordance with section 314 paragraph 3 sentence 2 HGB in conjunction with section 286 paragraph 4 HGB, the total remuneration of the Executive Board pursuant to section 314 paragraph 1 no. 6a HGB is not disclosed.

Supervisory Board

The Supervisory Board is composed as follows:

- **Osman Khan**, Chairman of the Board of Directors of The Native SA (Switzerland), Chairman (from 3 December 2018 to 17 April 2019)
- **Victor Iezuitov**, CFO of The Native SA (Switzerland), Chairman (since April 17, 2019 by order of the local court of Mannheim)
- **Jörn Matuszewski**, attorney of the partnership Heuking Kühn Lüer Wojtek (Düsseldorf), (since November 10, 2017, Deputy Chairman since June 28, 2018)
- **Gilles Ridel**, founder and former shareholder of Nexway SAS (France), (since November 19, 2018 by order of the local court of Mannheim)
- **Serge Umansky**, Chief Investment Officer of Whiteridge Advisors SA (Switzerland), Chairman (until June 28, 2018)
- **Norman Hansen**, Chairman of the Board of Directors of Holotrack AG (Switzerland), Vice Chairman (until June 28, 2018, then ordinary member until his resignation from the Supervisory Board on November 10, 2018)
- **Tobias Kaulfuss**, Essen, Chairman (from June 28, 2018 to December 3, 2018).

In 2018, the Supervisory Board received remuneration of 55 thousand euros.

Auditing and consulting fees

The total fee charged by the auditor for the fiscal year 2018 comprised 36 thousand euros for audit services.

Post balance sheet events

asknet AG has acquired 100 percent of the shares in Nexway Group AG, Basel/Switzerland, the 100 percent owner of Nexway SAS, a French e-commerce services competitor of asknet AG headquartered in Paris-La Défense. The transfer date was February 1, 2019. With the exception of the above, there were no events of material importance after the balance sheet date that had a material effect on the net assets, financial position, and operating results of the Group.

Karlsruhe, April 30, 2019

asknet AG
– Executive Board –

Aston Fallen

CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS

2018

in €

	Cost				
	Jan. 1, 2018	Additions	Transfers	Disposals	Dec. 31, 2018
I. Intangible fixed assets					
1. Self-created industrial property rights	1,642,557.50	926,672.01	0.00	0.00	2,569,229.51
2. Acquired industrial property rights	1,868,044.90	1,006.80	0.00	29,627.45	1,839,424.25
	3,510,602.40	**927,678.81**	**0.00**	**29,627.45**	**4,408,653.76**
II. Tangible fixed assets					
Other equipment, operating and office equipment	1,135,663.99	61,567.76	0.00	9,066.18	1,188,165.57
III. Financial Assets					
Advance payments on shares in affiliated companies	0.00	500,000.00	0.00	0.00	500,000.00
	4,646,266.39	**1,489,246.57**	**0.00**	**38,693.63**	**6,096,819.33**

Depreciation, amortization and write-downs					Carrying amount	
Jan. 1, 2018	Additions	write-ups	Disposals	Dec. 31, 2018	Dec. 31, 2018	Dec. 31, 2017
0.00	1,167,033.53	0.00	0.00	1,167,033.53	1,402,195.98	1,642,557.50
599,188.61	335,033.66	0.00	14,018.82	920,203.45	919,220.80	1,268,856.29
599,188.61	**1,502,067.19**	**0.00**	**14,018.82**	**2,087,236.98**	**2,321,416.78**	**2,911,413.79**
938,767.36	98,493.58	0.00	0.00	1,037,260.94	150,904.63	196,896.63
0.00	0.00	0.00	0.00	0.00	500,000.00	0.00
1,537,955.97	**1,600,560.77**	**0.00**	**14,018.82**	**3,124,497.92**	**2,972,321.41**	**3,108,310.42**

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ASKNET AG, KARLSRUHE

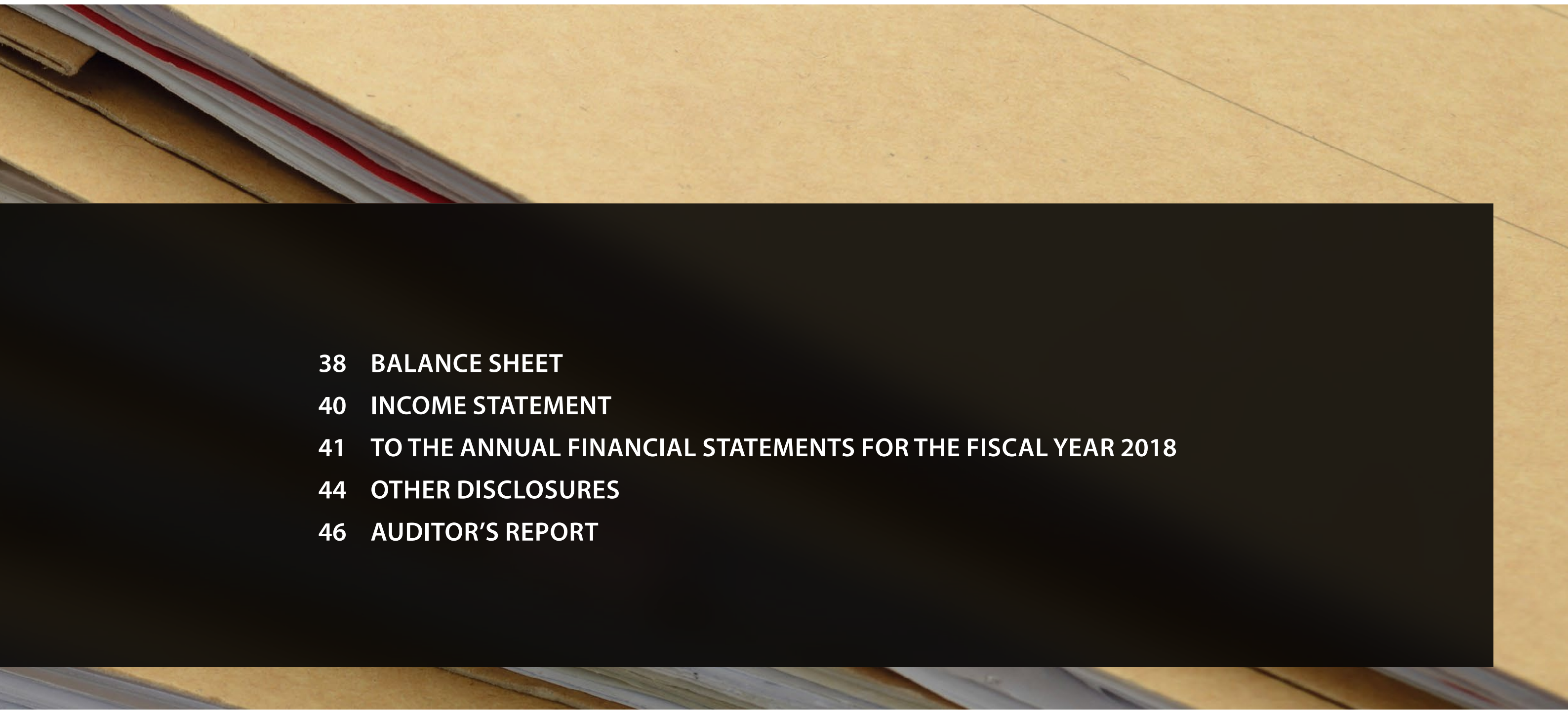
ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET

as of December 31

in €

		Dec. 31, 2018	Dec. 31, 2017
ASSETS			
A.	**Fixed Assets**		
I.	Intangible fixed assets		
1.	Self-created industrial property rights	1,402,195.98	1,642,557.50
2.	Acquired industrial property rights and similar rights	918,966.53	1,268,619.27
		2,321,162.51	**2,911,176.77**
II.	Tangible fixed assets		
	Other equipment, operating and office equipment	148,569.40	194,041.58
III.	Long-term financial assets		
1.	Shares in affiliated companies	162,397.90	162,397.90
2.	Advance payments on shares in affiliated companies	500,000.00	0.00
		662,397.90	**162,397.90**
B.	**Currrent Assets**		
I.	Inventories		
	Merchandise	45,593.18	44,949.61
II.	Receivables and other assets		
1.	Trade receivables	3,681,212.27	3,166,262.47
2.	Receivables from affiliated companies	231,830.82	748,246.77
3.	Other assets	325,605.58	280,253.93
		4,238,648.67	**4,194,763.17**
III.	Cash-in-hand and bank balances	3,376,325.51	3,448,680.85
C.	**Deferred Income**	**135,560.38**	**134,413.95**
		10,928,257.55	**11,090,423.83**



		Dec. 31, 2018	Dec. 31, 2017
EQUITY AND LIABILITIES			
A.	**Equity**		
I.	Subscribed capital (Contigent capital € thousand 1,500, previous year € thousand 1,500)	653,765.00	560,370.00
II.	Capital reserve	2,257,694.77	1,370,442.27
III.	Balance sheet result	–1,804,722.35	50,793.56
		1,106,737.42	**1,981,605.83**
B.	**Provisions**		
	Other provisions	**2,190,226.80**	**2,697,728.10**
C.	**Liabilities**		
1.	Liabilities to banks	67.05	0.00
2.	Trade payables	5,201,085.58	4,689,189.86
3.	Liabilities to affiliated companies	116,407.89	50,015.96
4.	Other liabilities of which taxes € 1,861,317.64 (previous year € 1,014,161.56) of which relating to social security and similar obligations € 6,080.71 (previous year € 6,307.53)	1,901,484.81	1,073,399.16
		7,219,045.33	**5,812,604.98**
D.	**Deferred Income**	**0.00**	**109,869.92**
E.	**Deferred Tax Liabilities**	**412,248.00**	**488,615.00**
		10,928,257.55	**11,090,423.83**

INCOME STATEMENT

1. Januar bis 31. Dezember

in €

	2018	2017
1. Sales revenues	85,836,626.81	66,155,792.85
2. Capitalized development activities	926,672.01	1,642,557.50
3. Other operating income	649,728.04	949,269.12
	87,413,026.86	**68,747,619.47**
4. Cost of materials		
a) Cost of purchased merchandise	76,188,508.24	57,640,536.67
b) Cost of purchased service	204,141.41	230,837.05
	76,392,649.65	**57,871,373.72**
5. Personnel expenses		
a) Wages and salaries	4,420,129.34	3,965,622.71
b) Social security, post-employment and other employee benefit costs of which in respect of old age pensions € 1,347.24 (previous year € 1,147.24)	728,717.51	707,524.15
	5,148,846.85	**4,673,146.86**
6. Amortization and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	1,597,884.73	404,859.55
7. Other operating expenses	6,175,096.65	5,234,016.83
	–1,901,451.02	**564,222.51**
8. Other interest and similar income	26.66	70.77
9. Interest and similar expenses	5,835.95	10,734.26
10. Tax refund on income and net worth thereof income from the reversal of deferred taxes € 76,367.00 (previous year € 488,615.00)	–52,906.52	488,399.83
	47,097.23	**–499,063.32**
11. Result after taxes	**–1,854,353.79**	65,159.19
12. Other taxes	1,162.12	14,365.63
13. Net income	**–1,855,515.91**	50,793.56
14. Result carried forward	50,793.56	–3,682,137.13
15. Reduction in subscribed capital to offset the loss carried forward	0.00	4,584,855.00
16. Contribution to capital reserve	0.00	902,717.87
17. Balance sheet result	**–1,804,722.35**	**50,793.56**

NOTES

TO THE ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2018

ACCOUNTING PRINCIPLES

General information

These financial statements of asknet AG, headquartered in Karlsruhe (Amtsgericht Mannheim, HRB 108713), were prepared in accordance with section 242 et seq. and section 264 et seq. of the German Commercial Code (HGB – Handelsgesetzbuch) as well as the pertinent regulations of the German Stock Corporation Act (AktG – Aktiengesetz).

As of December 31, 2018, the company fulfilled the size classification for a medium-sized corporation. The company makes partial use of the size-related relief granted by section 288 paragraph 2 HGB.

The fiscal year is the calendar year.

The income statement was prepared using the total cost accounting method.

We have partly incorporated the additional disclosures required for individual items into the notes.

Accounting and reporting methods

Internally generated commercial property rights and similar rights and assets are capitalized at cost (development costs) provided that there is at least a high probability on the balance sheet date that an asset will actually be created. The cost of production comprises the individually attributable costs from the consumption of goods and the utilization of services. Internally generated commercial property rights and similar rights and assets are written off systematically over their expected useful lives on a pro rata temporis basis using the straight-line method.

Acquired intangible fixed assets are carried at cost and, if they have a finite useful life, are amortized in accordance with the term of their useful lives.

Tangible fixed assets are carried at their acquisition or production cost and are subject to scheduled depreciation (straight-line method) in accordance with their expected useful life.

Since January 1, 2010, low value assets have been fully written off in the year of acquisition.

All other additions to tangible fixed assets are written down on a pro-rata temporis basis.

In the case of **financial assets**, shares are carried at acquisition cost. Advance payments made are stated at their face value.

Inventory is carried at the lower of cost or market. Appropriate write-downs have been recognized for all identifiable inventory risks that result from reduced marketability and lower replacement costs.

With the exception of customary retention of title, inventories are free from third-party rights.

Receivables and other assets are carried at their face value. Adequate specific provisions are allowed for all items that carry risk. Write-downs to cover the general credit risk were no longer made in the reporting year 2018. The general allowance established in the past was released through income in the amount of 11 thousand euros.

Cash in hand and **bank balances** are recognized at their face value at the balance sheet date.

Payments made before the reporting date are recognized as **prepaid expenses** if they constitute expenses for a certain period after this date.

The **subscribed capital** and the **capital reserve** are carried at their face value. The capital reserve was formed in accordance with section 272 paragraph 2 no. 4 HGB.

Other provisions account for all contingent liabilities and impending losses from pending transactions. They are recognized at their settlement values required according to prudent commercial judgment (in other words taking into consideration future costs and price increases).

Liabilities are carried at their settlement values.

Deferred taxes resulting from differences between the commercial balance sheet and the tax balance sheet are recognized if they are expected to be reduced in later fiscal years. Deferred tax assets and liabilities are offset. If deferred tax assets exceed deferred tax liabilities as of the balance sheet date, no use is made of the capitalization option provided by section 274 paragraph 1 sentence 2 HGB.

All **foreign currency assets and liabilities** were translated into euros on the reporting date using the respective mean exchange rate. If these had remaining terms of more than one year, the realization principle (section 252 paragraph 1 no. 4 half sentence 2 HGB) and the historical cost principle (section 253 paragraph 1 sentence 1 HGB) were complied with. Current foreign currency receivables (remaining term of up to one year) as well as cash and cash equivalents or other current foreign currency assets are translated at the mean exchange rate on the balance sheet date in accordance with section 256a HGB.

EXPLANATORY NOTES TO THE BALANCE SHEET

Fixed assets

The changes in the individual fixed asset items during the fiscal year are presented in the fixed assets schedule together with the respective depreciation.

SHAREHOLDINGS

	Reporting date	Currency	Share in %	Equity in local currency	Net result in local currency
asknet Inc., San Francisco/USA	Dec. 31, 2018	USD thousand	100.0	186	18
asknet KK, Tokyo/Japan	Dec. 31, 2018	YEN thousand	100.0	24,491	1,775
asknet Switzerland GmbH, Uster/Switzerland	Dec. 31, 2018	CHF thousand	100.0	25	0

Receivables and other assets
As in the previous year, receivables and other assets have a remaining maturity of up to one year, with the exception of the "Solidarbürgschaft" (joint security) of the Swiss Tax Authority (21.5 thousand euros).

All receivables from affiliated companies are trade receivables.

Bank balances
Of our bank balances, 150 thousand euros are reserved as collateral for aval commitments.

Equity
Subscribed capital
The subscribed capital amounts to 653,765.00 euros (previous year: 560,370.00 euros) and consists of registered no-par value shares (common stock). Each no-par value share represents one vote. The subscribed capital was fully paid up.

Authorized capital
At the ordinary annual general meeting of June 18, 2015, the Executive Board was authorized, with the approval of the Supervisory Board, to increase the share capital on one or more occasions by up to 2,520,000.00 euros by June 17, 2020 against cash or non-cash contributions by issuing new registered shares. Shareholders' subscription rights may be excluded.

Based on the authorization granted by the annual general meeting of July 18, 2015, the company's Executive Board decided on September 26, 2018, with the consent of the Supervisory Board, to use part of the authorized capital and to increase the company's share capital from 560,370.00 euros to 653,765.00 euros by issuing 93,395 new shares against cash contributions at an issue price of 10.50 euros per share in a rights issue (indirect pre-emptive right). The lowest issue price is 1.00 euro per share. The excess amount of 887,252.50 euros was allocated to the capital reserve.

Contingent capital
At the extraordinary general meeting on August 23, 2016, the Executive Board, with the approval of the Supervisory Board, was given authorization, extending until August 22, 2021, to issue on one or more occasions bearer or registered warrant bonds, convertible bonds, profit participation rights and/or income bonds or a combination thereof (collectively referred to as "bonds") in a total nominal amount of up to 3,000,000.00 euros with a maximum term of 10 years and to grant to or impose on the bearers or creditors of warrant bonds or warrant participation rights or warrant income bonds option rights or duties or to grant to or impose on the bearers or creditors of convertible bonds or convertible participation rights or convertible income bonds conversion rights or duties to up to 1,500,000 new registered shares of asknet AG with a pro-rata amount of the share capital totaling 1,500,000.00 euros in accordance with the conditions of these bonds. In addition to euros, the bonds may also be issued in the legal currency of an OECD country limited to the corresponding value in euros. They may also be issued by a subordinated Group company of asknet AG; in this case, the Executive Board is authorized, with the approval of the Supervisory Board, to issue a guarantee on behalf of asknet AG for the bonds and to issue to or impose on the bearers or creditors warrant and convertible rights or duties to registered shares of asknet AG.

Other provisions
Other provisions were essentially established to cover outstanding vendor invoices (1,689 thousand euros), leave entitlement and special bonuses and severance payments (437 thousand euros) as well as year-end accounting costs (27 thousand euros).

Liabilities

As in the previous year, all liabilities have a remaining maturity of up to one year and are not collateralized.

All liabilities to affiliated companies are trade liabilities.

Deferred taxes

After netting of deferred tax assets and deferred tax liabilities (comprehensive balance sheet method), there was a deferred tax liability of 412 thousand euros as of the balance sheet date of December 31, 2018. The differences between the commercial balance sheet and the tax balance sheet, which resulted in deferred tax liabilities, are primarily the result of the prohibition to capitalize internally generated intangible assets in the tax balance sheet. Deferred tax assets resulted from the recognition of different values for other provisions.

The table below shows the deferred taxes and their changes in the fiscal year 2018:

in € thousand	Dec 31, 2017	Addition[1]	Disposal[1]	Dec 31, 2018
Deferred tax assets	19	21	–19	21
Deferred tax liabilites	–507	–286	360	–433
Total	–488	–265	341	–412

[1] Recognized in "Income tax".

EXPLANATORY NOTES TO THE INCOME STATEMENT

Other operating income

Other operating income included income from currency translation in the amount of 196 thousand euros (previous year: 332 thousand euros).

Other operating expenses

Other operating expenses included expenses from currency translation in the amount of 333 thousand euros (previous year: 434 thousand euros).

Amortization and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets

The development costs capitalized in 2017 were amortized for the first time in 2018 in the amount of 328 thousand euros. The item also includes impairment losses on development costs in the amount of 839 thousand euros.

OTHER DISCLOSURES

RESEARCH AND DEVELOPMENT COSTS

Research and development costs in the fiscal year 2018 totaled 1,424 thousand euros of which an amount of 927 thousand euros relates to internally generated intangible assets.

OTHER FINANCIAL OBLIGATIONS

asknet has other financial obligations in the form of rental agreements and leases in the amount of 681 thousand euros.

Total financial obligations
in €

	Rent	Leasing	Total
Due within one year	166,655.88	32,909.24	199,565.12
Due within one to five years	458,303.67	22,788.57	481,092.24
Due after five years	0.00	0.00	0.00
	624,959.55	55,697.81	680,657.36

Property leases relate to the company's head office in Germany. The leasing agreements are operating leases, under which the properties are not accounted for by the company. The advantage of these agreements is that less capital is tied up compared to the acquisition of the properties and that the realization risk is eliminated. Risks may arise from the duration of the agreement if the properties can no longer be fully used, of which there are no signs, however.

In a transaction agreement concluded on December 9, 2016, asknet AG committed to purchase certain licenses in the amount of up to 1,555 thousand euros in the contractual period ending on December 31, 2021.

EMPLOYEES

During the financial year, the company employed an average number of 84 employees (previous year: 78; not including Executive Board, trainees, and temporary employees).

CORPORATE BODIES

Executive Board

In the fiscal year, the Executive Board was composed of:

- **Aston Anthony Fallen**, MBPA, Frankfurt a.M., (from December 3, 2018) – sole member of the Executive Board
- **Tobias Kaulfuss**, Dipl. Kaufmann, MBA, Essen/Germany (until June 28, 2018)
- **Sergey Skatershchikov**, MBA, Moscow/Russia (from November 16, 2017 to December 3, 2018)

In accordance with section 286 paragraph 4 HGB, the total remuneration of the Executive Board pursuant to section 285 paragraph 9a HGB is not disclosed.

Supervisory Board

The Supervisory Board is composed as follows:

- **Osman Khan**, Chairman of the Board of Directors of The Native SA (Switzerland), Chairman (from 3 December 2018 to 17 April 2019)
- **Victor Iezuitov**, CFO of The Native SA (Switzerland), Chairman (from 17 April 2019 by order of the Mannheim Local Court)
- **Jörn Matuszewski**, attorney of the partnership Heuking Kühn Lüer Wojtek (Düsseldorf), (since November 10, 2017, Deputy Chairman since June 28, 2018)
- **Gilles Ridel**, founder and former shareholder of Nexway SAS (France), (from 19 November 2018 by order of the Mannheim Local Court)
- **Serge Umansky**, Chief Investment Officer of Whiteridge Advisors SA (Switzerland), Chairman (until June 28, 2018)
- **Norman Hansen**, Chairman of the Board of Directors of Holotrack AG (Switzerland), Vice Chairman (until June 28, 2018, then ordinary member until his resignation from the Supervisory Board on November 10, 2018)
- **Tobias Kaulfuss**, Essen, Chairman (from June 28, 2018 to December 3, 2018).

In 2018, the Supervisory Board received remuneration of 55 thousand euros.

Total fee charged by the auditor

In accordance with section 288 paragraph 2 sentence 2 HGB in conjunction with section 285 no. 17 HGB, the total fee charged by the auditor for the fiscal year is not disclosed.

Amounts subject to a payout block (sections 253 paragraph 6, 268 paragraph 8 HGB (amended))

The following amounts were subject to a payout block as of the reporting date:

	in € thousand
Internally generated intangible fixed assets	1.402
less deferred tax liabilities	–433
AMOUNT I SUBJECT TO PAYOUT BLOCK	**969**
Other deferred tax assets	21
less other deferred tax liabilities	0
AMOUNT II SUBJECT TO PAYOUT BLOCK	**21**
TOTAL AMOUNT	**990**

SHAREHOLDERS AND GROUP AFFILIATION

The company is included in the consolidated financial statements of asknet AG, Karlsruhe, which prepares the consolidated financial statements for the smallest group of companies. The consolidated financial statements are published in the electronic Federal Gazette.

Moreover, the company's financial statements are included in the consolidated financial statements of The Native SA, headquartered in Basel/Switzerland, which prepares the consolidated financial statements for the largest group of entities.

POST BALANCE SHEET EVENTS

asknet AG has acquired 100 percent of the shares in Nexway Group AG, Basel/Switzerland, the 100 percent owner of Nexway SAS, a French e-commerce services competitor of asknet AG headquartered in Paris-La Défense. The transfer date was February 1, 2019.

There were no other events of material importance after the balance sheet date that had a material effect on the net assets, financial position, and operating results of asknet AG.

Karlsruhe, April 30, 2019

asknet AG
– Executive Board –

Aston Fallen

INDEPENDENT AUDITOR'S REPORT

To asknet AG, Karlsruhe

Audit opinions

We have audited the annual financial statements of **asknet AG, Karlsruhe**, – consisting of the balance sheet as of December 31, 2018 and the income statement for the financial year from January 1 to December 31, 2018 as well as the notes including the presentation of the accounting and reporting methods. In addition, we have audited the combined management report of asknet AG, Karlsruhe, for the financial year from January 1 to December 31, 2018.

According to our assessment based on the findings of our audit

- the accompanying annual financial statements comply, in all material respects, with German commercial law applicable to corporations and, in accordance with German principles of proper accounting, give a true and fair view of the net assets and financial position of the company as of December 31, 2018 as well as of its operating results for the financial year from January 1 to December 31, 2018 and
- the accompanying combined management report as a whole provides a suitable view of the Company's position. In all material respects, the combined management report is consistent with the annual financial statements, complies with legal requirements and suitably presents the future opportunities and risks.

Pursuant to section 322 paragraph 3 sentence 1 of the German Commercial Code (HGB – Handelsgesetzbuch), we state that our audit has not led to any reservations with respect to the correctness of the annual financial statements and the combined management report.

Basis for the audit opinions

We conducted our audit of the annual financial statements and the combined management report in accordance with section 317 of the German Commercial Code (HGB – Handelsgesetzbuch) in compliance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW). Our responsibility under those provisions and standards is further described in the "Auditor's responsibility for the audit of the annual financial statements and the combined management report" section of our report. We are independent of the company in accordance with the requirements of German commercial and professional law, and we have fulfilled our ethical responsibilities applicable in Germany 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 on the annual financial statements and the combined management report.

Other disclosures

The legal representatives are responsible for the other disclosures. Other disclosures comprise the other parts of the annual report, with the exception of the audited annual financial statements and consolidated financial statements and the combined management report as well as our audit opinion on the annual financial statements.

Our audit opinions on the annual financial statements and the combined management report do not cover the other disclosures and, accordingly, we do not express an audit opinion or any other form of audit conclusion thereon.

As part of our audit, we have the responsibility to read the other disclosures and to assess whether they

- contain material inconsistencies with the annual financial statements, the combined management report or the knowledge we have obtained during our audit or
- appear to be materially misstated in some other way.

If, based on the work we have performed, we determine that there is a material misstatement of these other disclosures, we are required to report this fact. We have nothing to report in this context.

Responsibilities of the legal representatives and the Supervisory Board for the annual financial statements and the combined management report

The legal representatives are responsible for the preparation of the annual financial statements that comply, in all material respects, with German commercial law applicable to corporations and for ensuring that the annual financial statements, in accordance with German principles of proper accounting, give a true and fair view of the net assets, financial position and operating results of the company. In addition the legal representatives are responsible for such internal control as they have determined necessary in accordance with German principles of proper accounting to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. They also have the responsibility – where applicable – for disclosing matters related to the going concern and for using the going concern basis of accounting, unless this is made impossible by actual or legal circumstances.

The legal representatives are also responsible for preparing a combined management report which, as a whole, provides a suitable view of the company's position and is consistent with the annual financial statements in all material aspects, complies with German legal requirements and suitably presents the future opportunities and risks. In addition, the legal representatives are responsible for such arrangements and measures (systems) as they consider necessary to enable the preparation of a combined management report that complies with the requirements of German commercial law and to enable the provision of sufficient and appropriate evidence for assertions in the combined management report.

The Supervisory Board is responsible for overseeing the company's financial reporting process for the preparation of the annual financial statements and the combined management report.

Auditor's responsibility for the audit of the annual financial statements and the combined management report

Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides a suitable view of the situation of the company and is consistent with the annual financial statements in all material aspects as well as with the findings of our audit, complies with the legal provisions applicable in Germany and adequately reflects the future opportunities and risks as well as to issue an auditor's report that contains our audit opinions of the annual financial statements and the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 of the German Commercial Code (HGB – Handelsgesetzbuch) and in compliance with German generally accepted standards for the audit of consolidated financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in total, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

During our audit, we exercise professional judgment and maintain professional skepticism. Moreover

- we identify and assess the risks of material misstatements in the annual financial statements and the combined 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 our audit opinion. The risk of not detecting material misstatements 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.
- we obtain an understanding of the internal control system that is relevant for the audit of the annual financial statements and of the arrangements and measures that are relevant for the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the company's systems.
- we evaluate the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the accounting estimates and related disclosures made by the legal representatives.

- we conclude on the appropriateness of the legal representatives' 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 the auditor's report to the related disclosures in the annual financial statements or in the combined management report 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 auditor's report. However, future events or conditions may result in the company no longer being able to continue as a going concern.
- we evaluate the overall presentation, structure and content of the annual financial statements and whether the annual financial statements represent the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the net assets, financial position and operating results of the company in accordance with German principles of proper accounting.
- we assess the consistency of the combined management report with the annual financial statements, its compliance with applicable laws and the view it provides of the situation of the company.
- we perform audit procedures on the forward-looking information presented by the legal representatives in the combined management report. Based on sufficient audit evidence, we hereby review, in particular, the significant assumptions used by the legal representatives as a basis for the forward-looking information and evaluate the appropriate derivation of the forward-looking information from these assumptions. We do not express a separate audit opinion on the forward-looking information and on the underlying assumptions. There is a substantial unavoidable risk that future events will deviate materially from the forward-looking information.

We discuss with the supervisory body, 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.

Karlsruhe, May 3, 2019

Ebner Stolz GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dr. Volker Hecht	Christiane Keßler
Auditor	Auditor

SUPERVISORY BOARD REPORT

DEAR SHAREHOLDERS,
In the 2018 fiscal year, we, the Supervisory Board, performed our tasks and duties in accordance with the law and the statutes of the company. In an intensive and ongoing dialog with the company's Executive Board, we received regular, up-to-date, and comprehensive information on business developments, performance, perspectives, major investment projects and other particular issues of asknet AG. The Supervisory Board regularly advised the Executive Board on running the company and closely monitored and assisted in the conduct of business and the development of the company. This included consultation between the Executive Board and the Supervisory Board in planning activities and determining the strategic focus of asknet AG.

The Executive Board complied with its legal and internal reporting requirements in full and in a timely manner. The Executive Board provided written and oral reports, both within and outside the regular Supervisory Board meetings. The Supervisory Board was directly involved in all decisions and plans of material importance to the company. The Supervisory Board addressed all matters requiring its participation or decision according to the law and the statutes of the company. After thorough examination and discussion, the Supervisory Board approved the Executive Board's proposed resolutions insofar as was required by the law, the statutes of the company, or the bylaws for the Executive Board. The Executive Board provided the Supervisory Board with the necessary documentation for the topics under consideration in good time; the Supervisory Board requested and received additional information from the Executive Board as necessary and reviewed the documents and contracts in question.

The Executive Board and the Supervisory Board have a long history of close cooperation and open dialog based on mutual trust. The Supervisory Board held a total of eight physical meetings during the 2018 fiscal year. In addition, the Supervisory Board and the Executive Board held several talks to discuss operational matters and address individual topics in greater detail. The Executive Board and the Supervisory Board remained in close communication, exchanging information by telephone, e.g. by holding telephone conferences. In particular, the Executive Board agreed the strategic orientation of the company with the Supervisory Board. The latter was directly involved in all decisions of fundamental importance. Transactions requiring the Supervisory Board's approval were outlined by the Executive Board and discussed with the latter prior to taking a decision. In addition, the Executive Board regularly provided the Supervisory Board with information on key performance indicators and the degree to which the projections were met.

At the meetings, the company's current business position was always on the agenda. Discussions regularly covered the results for the most recent quarter, the cumulative results for the year to date, an analysis of targets and actual performance figures, and the projected results for the fiscal year. The Chairman of the Supervisory Board continued to regularly receive and give information and ideas on the company's business as well as other important issues affecting asknet AG.

A particular focus of the Supervisory Board's activities in the reporting period was the preparation and implementation of the capital increase against cash contributions announced on September 27, 2018. By issuing 93,395 new shares at a subscription price of 10.50 euros per share, the company generated net proceeds of 980,647.50 euros from the issue.

The proceeds were mainly to be used to finance the further growth of asknet AG, in particular by increasing sales and marketing personnel in both business units of the company.

Another focus was the talks and preparations for the acquisition of 100 % of the shares in Nexway Group AG, the 100 % owner of Nexway SAS, a French e-commerce services competitor of asknet AG headquartered in Paris-La Défense. The share purchase agreement on the acquisition of all shares was concluded on December 3, 2018.

Changes on the Supervisory Board and the Executive Board

With effect from the end of the Annual General Meeting on June 28, 2018, Tobias Kaulfuss resigned at his own request and for personal reasons from his position as CEO of asknet AG. Sergey Skatershchikov, then CFO of asknet AG, assumed his responsibilities as CEO. In addition, Tobias Kaulfuss replaced Serge Umansky on the Supervisory Board and was elected its Chairman.

On November 10, 2018, Norman Hansen resigned from the Supervisory Board and was replaced by Gilles Ridel, founder and former shareholder of Nexway SAS, by order of the Local Court of Mannheim dated November 19, 2018.

In the course of the acquisition of Nexway SAS, Tobias Kaulfuss, previously Chairman of the Supervisory Board of asknet AG, resigned from office with effect from December 3, 2018. Osman Khan, Chairman of the Board of Directors of Native SA, the largest shareholder of asknet AG, was appointed new Chairman of the Supervisory Board.

Aston Fallen, Executive Chairman of Nexway SAS and previously a long-standing Business Development Consultant at asknet AG, was appointed as the new CEO (sole Executive Board member) of asknet AG with immediate effect, while the previous CEO Sergey Skatershchikov resigned.

Annual general meeting

asknet AG's annual general meeting was held on June 28, 2018. The main items on the agenda, besides approval of the acts of the Executive Board and the Supervisory Board, were the elections to the Supervisory Board as well as the election of the auditors for the 2017 fiscal year. The resolutions for all agenda items were carried by the required majority of the shareholders attending the meeting.

Following the general meeting, the constituent meeting of the Supervisory Board for the election of the Chairman and Vice Chairman of the Supervisory Board was held. Tobias Kaulfuss and Jörn Matuszewski were elected Chairman and Vice Chairman, respectively.

Audit of the annual financial statements 2018

At the annual general meeting on June 28, 2018, Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, was commissioned to perform the audit of the financial reports for the 2018 fiscal year. Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, audited asknet AG's annual financial statements for the period ending December 31, 2018 and the management report of asknet AG and issued an unqualified audit certificate. The Executive Board's report on relations with affiliated companies (dependent company report) was also audited by Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart. asknet AG's annual financial statements and the consolidated financial statements were prepared in accordance with the German Commercial Code (HGB – Handelsgesetzbuch).

The annual financial statements of asknet AG, the consolidated financial statements, the management reports, and the audit report of Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, were provided to all members of the Supervisory Board in a timely manner. At a meeting held on May 15, 2019, the auditors presented the findings of their audit to the asknet AG Supervisory Board, which then asked the auditors supplementary questions.

asknet AG's annual financial statements, the consolidated financial statements, and the management reports for the 2018 fiscal year as well as the dependent company report were examined in detail by the Supervisory Board. Based on our own review of the audit, the Supervisory Board raised no objections and concurred with the audit results provided by Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart. With its resolution of the 15th of May, 2019, the Supervisory Board of asknet AG therefore expressed its unreserved approval of the annual financial statements presented by the Executive Board in accordance with section 172 of the German Stock Corporation Act (AktG – Aktiengesetz). In addition, the Supervisory Board approved the consolidated financial statements, the asknet AG management report, and the asknet Group management report.

Following the final result of the Supervisory Board's review, no objections were raised against the final statement in the Executive Board's dependent company report.

The Supervisory Board of asknet AG would like to take this opportunity to expressly thank the resigning Supervisory Board members for their great commitment to the interests of the company and all the company's employees for their commitment and their successful work and achievements in the 2018 fiscal year. The Supervisory Board wishes asknet AG every success in the 2019 fiscal year.

Karlsruhe, May 15, 2019

The Supervisory Board

Victor Iezuitov
Chairman of the Supervisory Board

IMPRINT

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Photos
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FINANCIAL CALENDAR 2018

May 17, 2019
Publication Financial Report 2018

June 2019
Annual General Meeting

October 2019
Publication Half Year Report 2018

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