

ATTESTATION COPY

Neon Equity AG

Frankfurt am Main

Annual Financial Statements as at 31 December 2022

REPORT OF THE INDEPENDENT AUDITOR

NEON EQUITY AG, FRANKFURT AM MAIN
BALANCE SHEET AS AT 31 DECEMBER 2022

ACTIVA

PASSIVA

	31.12.2022 EUR	31.12.2021 EUR
A. FIXED ASSETS		
I. Intangible assets		
1. Concessions, industrial property rights and similar rights and assets acquired for consideration and licences in respect of such rights and assets	8.741,00	0,00
	8.741,00	0,00
II. Fixed assets		
1. Other plant, fixtures and fittings	319.739,00	285.870,00
	319.739,00	285.870,00
III. Financial assets		
1. Equity investments	146.937.570,64	141.364.870,91
2. Securities included in fixed assets	67.443.427,83	56.293.701,79
	214.380.998,47	197.658.572,70
	214.709.478,47	197.944.442,70
B. CURRENT ASSETS		
I. Receivables and other assets		
1. Trade receivables	122.378,92	70.652,93
2. Other assets	30.897.367,87	28.932.174,59
	31.019.746,79	29.002.827,52
II. Cash in hand, Bundesbank balances, balances with banks and cheques	2.558.998,08	7.508.693,02
	33.578.744,87	36.511.520,54
	248.288.223,34	234.455.963,24

	31.12.2022 EUR	31.12.2021 EUR
A. EQUITY		
I. Subscribed capital	40.050.100,00	50.100,00
II. Earnings Reserves	4.603.929,96	40.000.000,00
III. Balance Sheet Profit	200.811.446,65	193.436.977,45
	245.465.476,61	233.487.077,45
B. ACCRUALS		
1. Tax accruals	1.418.196,00	550.000,00
2. Other accruals	165.000,00	56.000,00
	1.583.196,00	606.000,00
C. ACCOUNTS PAYABLE		
1. Bank loans and overdraft	0,00	126,93
2. Trade payables	214.198,70	179.467,48
3. Other liabilities	1.025.352,03	183.291,38
	1.239.550,73	362.885,79
	248.288.223,34	234.455.963,24

NEON EQUITY AG, FRANKFURT AM MAIN

INCOME- STATEMENT FOR THE FINANCIAL YEAR 2022

	2022 EUR	2021 EUR
1. Revenues	487.781,38	497.743,90
2. Other operating income	13.290.511,67	8.323.517,79
3. Personnel costs		
a) Wages and salaries	-207.037,50	-120.000,00
b) Social security contributions and expenditure on pensions and support	-6.150,70	0,00
	-213.188,20	-120.000,00
4. Depreciation		
a) Depreciation of intangible fixed assets and property, plant and equipment	-76.141,08	-74.495,00
5. Other operating expenses	-4.288.508,06	-4.773.653,04
6. Income from other securities and loans from financial assets	3.338.660,11	2.945.952,47
7. Other interest and similar income	335.737,74	124.343,94
8. Interest and similar charges	-3.172,71	-159.883,50
9. Taxes on income	-894.913,49	-39.902,85
10. Profit after tax	11.976.767,36	6.723.623,71
11. Other taxes	1.631,80	-1.636,00
12. Annual net profit	11.978.399,16	6.721.987,71
13. Profit brought forward from the previous year	193.436.977,45	186.714.989,74
14. Allocation to retained earnings	-4.603.929,96	0,00
15. Balance Sheet Profit	200.811.446,65	193.436.977,45

Notes to the company's financial statements
Neon Equity AG (formerly TO-Holding GmbH), Frankfurt am Main
for the financial year from 01.01. – 31.12.2022

I. General information about the company

Neon Equity AG is headquartered in Frankfurt am Main. It is registered in the commercial register of the local court of Frankfurt am Main under HRB 128830.

II. General information on the annual financial statements

The annual financial statements were prepared in accordance with the provisions of §§ 242 et seq. of the German Commercial Code (HGB) in compliance with the supplementary provisions for small corporations (§§ 264 et seq. HGB) and the German Stock Corporation Act (AktG).

The company is listed on the over-the-counter segment of the Düsseldorf Stock Exchange. The approval took place with the approval of the underlying prospectus by the Federal Financial Supervisory Authority (BaFin) on 9 January 2023. The first day of trading was January 13, 2023.

Size-related simplifications in the preparation (Sections 266 (1), 276, 288 HGB, 160 AktG) of the annual financial statements were used. It is not necessary to prepare a management report pursuant to section 264 (1) sentence 4 of the German Commercial Code (HGB).

In principle, these annual financial statements have been prepared in accordance with the provisions of the German Commercial Code applicable to small corporations (sections 265 (1) sentence 2, 266 et seq. of the German Commercial Code (HGB), while maintaining the classification principles applied to the previous year's financial statements. In addition, the supplementary provisions of the German Stock Corporation Act were taken into account for the first time.

The income statement is prepared in accordance with the total cost method in accordance with Section 275 (2) of the German Commercial Code (HGB).

The fiscal year is the calendar year.

III. Disclosures on accounting principles

The Company's assets and liabilities have been valued individually in accordance with the principle of prudence. Foreseeable risks were taken into account in the preparation of the annual financial statements. There has been assumed that the business will continue to operate. The accounting policies applied to previous financial statements are maintained.

The annual accounts were prepared in euros. There are no receivables or liabilities in foreign currency.

Expenses and income were recognised in the annual financial statements in accordance with the principle of realisation and imparity, irrespective of the date of payment.

Fixed assets

Fixed assets are measured at cost, taking into account incidental acquisition costs and - to the extent depreciable - less depreciation. Depreciation was calculated on a straight-line basis on the basis of normal useful life. Low-value assets with acquisition costs of up to EUR 800.00 are fully depreciated in the year of acquisition.

Financial assets are measured at cost or lower fair value in accordance with section 253 (3) sentence 6 of the German Commercial Code (HGB).

Current assets

Receivables and other assets are measured at nominal value less any necessary fair value adjustments.

Cash and cash equivalents are measured at nominal value.

Equity

Equity is carried at par value.

Accruals

Taking into account all foreseeable risks and uncertain liabilities, the provisions are carried at the settlement amount that is reasonably necessary in commercial judgement.

Accounts payable

The liabilities are measured at their settlement amount.

IV. Information on the balance sheet

Fixed assets

The breakdown of fixed assets and their development is shown in the investment table.

Financial assets

Of the value of investments of EUR 146,938 thousand (previous year: EUR 141,365 thousand) reported in the investment overview, EUR 127,855 thousand (previous year: EUR 140,296 thousand) is attributable to the participation through shares in publity AG, Frankfurt am Main, and EUR 19,074 thousand (previous year: EUR 517 thousand) to the participation through shares in PREOS Global Office Real Estate & Technology AG, Frankfurt am Main.

Of the value of fixed assets reported in the investment table in the amount of EUR 67,443 thousand (previous year: EUR 56,294 thousand), EUR 67,442 thousand (previous year: EUR 56,289 thousand) relates to bonds of publity AG, Frankfurt am Main, and EUR 1 thousand (previous year: EUR 5 thousand) to a convertible bond of PREOS Global Office Real Estate & Technology AG, Frankfurt am Main.

Both the investments and the securities included in fixed assets were tested for indicators of permanent impairment as of the reporting date. For this purpose, share prices or the price of the bonds were used. As of the balance sheet date, there was no indicator of impairment.

Current assets

Other assets include receivables from a securities loan (non-cash loan) in the amount of EUR 27,045 thousand (previous year: EUR 0.00 thousand). In addition, EUR 2,674 thousand relates to a loan receivable to an investee. In addition, tax receivables for sales and corporation tax in the amount of EUR 811 thousand (previous year: EUR 957 thousand) are reported.

In the financial year, specific valuation allowances on other assets totaling EUR 250 thousand were made.

With the exception of the securities loan, all the receivables and other assets have a residual maturity of up to one year. The securities loan has a residual term of more than one year.

Equity

By resolution of the shareholders' meeting on 22 August 2022, the former TO-Holding GmbH was converted into an AG by way of a change of legal form. The change of legal form was entered in the commercial register on 4 October 2022.

The company's statutory share capital amounts to EUR 40,050,100 as of the reporting date. By resolution of the shareholders' meeting on 22 August 2022, the share capital of the company (formerly: TO-Holding GmbH) was increased from EUR 50,100 by EUR 40,000,000 to EUR 40,050,100 by issuing 40,000,000 new registered no-par value shares with a nominal value of EUR 1.00 each by way of a capital increase from company funds. The implementation of the capital increase from company funds was entered in the commercial register on 4 September 2022.

As a result of the conversion resolution, the share capital of the GmbH became the share capital of the AG at a ratio of 1:1. As part of the change of legal form, authorized capital was also created. Accordingly, the Management Board is authorized, with the consent of the Supervisory Board, to increase the share capital once or several times until August 31, 2027 by up to a total of EUR 20,25,050 by issuing up to a total of 20,025,050 new registered ordinary shares without par value against cash and/or non-cash contributions.

Accruals

The provisions for taxes relate to provisions for corporation tax in the amount of EUR 407 thousand (previous year: EUR 0 thousand) and provisions for trade tax in the amount of EUR 991 thousand (previous year: EUR 550).

Other provisions relate to provisions for acquisition and audit costs in the amount of EUR 45 thousand (previous year: EUR 45 thousand) and for other costs in the amount of EUR 120 thousand (previous year: EUR 11 thousand).

Accounts payable

Other liabilities include liabilities of EUR 350 thousand (previous year: EUR 0 thousand) to an investee.

The liabilities all have a residual maturity of up to one year.

V. Information on the income statement

Income / expenses of extraordinary importance

Other operating income includes in particular income from the disposal of fixed assets in the amount of EUR 7,141 thousand (previous year: EUR 7,799 thousand) and income from the reduction of specific valuation allowances on receivables resulting from receivables purchase and assignment agreements in the amount of EUR 5,080 thousand (previous year: EUR 0).

Other operating expenses include losses from the disposal of fixed assets in the amount of EUR 2,514 thousand (previous year: EUR 2,795 thousand).

VI. Other information

Contingent liabilities / other financial obligations

Contingent liabilities according to § 251 in conjunction with § 268 Abs. 7 HGB do not exist.

Other financial obligations amount to EUR 238 thousand and result from leases (term: 84 months).

Management Board of the Company

The following were or are appointed as members of the Management Board of the Company:

- Thomas Olek, CEO of Neon Equity AG, Frankfurt am Main
- Ole Nixdorff, CFO of Neon Equity AG, Essen (from 01.01.2023)

Remuneration of the Executive Board

In accordance with Section 286 (4) of the German Commercial Code (HGB), total remuneration has not been disclosed. Use was made of the facilitations of §§ 274 a, 288 HGB.

Supervisory Board of the Company

The composition of the Company's Supervisory Board in the 2022 financial year was as follows:

- Frank Baruth, Managing Director DENQ-Concept Holding GmbH, Hagen (Chairman of the Supervisory Board)
- Hansjörg Plaggemars, Management Consultant (Value Consult), Stuttgart (Deputy Chairman of the Supervisory Board)
- Michael Huttner, Managing Director PROCEPT GmbH, Hambach (Supervisory Board)

Remuneration of the Supervisory Board

Remuneration to the Supervisory Board was not paid in the 2022 financial year.

Number of employees

In the 2022 financial year, an average of 2 employees were employed in addition to the Management Board (previous year: 0).

Board members, expenses for executive bodies and directors

In 2017, a term loan of EUR 100 thousand with an interest subsidy of 3.0% p.a. was granted to a Supervisory Board member, which is due in 2023.

Other liabilities also include liabilities from a current clearing account in the amount of EUR 662 thousand (previous year: receivable of EUR 21,689 thousand) vis-à-vis the Management Board member, Mr. Thomas Olek.

Auditor's fees

In accordance with Section 288 (1) No. 1 in conjunction with Section 285 No. 17 of the German Commercial Code (HGB), the Company waives the disclosure of the auditor's fees.

Events of particular importance after the end of the financial year / subsequent events

The impact of the corona crisis on business operations is estimated to be low.

In recent years, the company had already taken measures to ensure that ongoing business operations can be maintained at all times and that the ongoing administration of the investments is secured. Outsourcing companies have also taken such measures, so that the operation of the outsourced functional areas is also not endangered. In the further course of the year, a decreasing impact of the corona virus on the financial and economic system in the form of disruptions is considered likely. In this respect, any risk-increasing effects for the investee companies are also considered unlikely.

The impact of the war in Ukraine on the company's business activities is estimated to be low. Business operations are based on the day-to-day management of mainly domestic shareholdings. There is no direct connection to the parties to the conflict.

The difficult economic environment (e.g. interest rate hikes, predicted global recession, energy/commodity shortages) has also reached the real estate markets. Since this market and its players react with a time lag to changes in the environment, the market statistics will only gradually show how clearly the real estate market is affected. The time of rising real estate prices is currently stopped and we expect price adjustments. There are currently signs of an opposite movement on the rental markets in contrast to the investment market. In the office and logistics segments, robust demand for space on the rental market meets

comparatively scarce supply, so that rent increases are expected in these segments in most European real estate markets; in contrast, the rise in interest rates leads to a phase of price discovery with an increase in yields. In office and logistics, the rise in yields can be partially offset by stable rental price growth. The retail, hotel and residential segments are more closely linked to consumer spending and disposable income, so that no rent increases are expected here. The increase in yields is likely to lead to value adjustments in these segments. An improvement in sentiment will only occur when the currently existing uncertainties about economic development dissipate and the final interest rate level and the further development of globalization are foreseeable. We assess the basis of the real estate market from supply and demand as "healthy" and nothing should stand in the way of a recovery in the medium term.

Proposal for the appropriation of profit

The Management Board proposes the following appropriation of earnings for the 2022 financial year:

In accordance with Section 150 AktG, a partial amount of EUR 598,919.96 will be transferred to the statutory retained earnings. A further partial amount of EUR 4,005,010 will be allocated to other retained earnings in accordance with Section 58 (2) AktG. The remaining balance is reported as net retained profit.

Taking into account the proposal for the appropriation of profit, the net retained profit develops as follows:

	<u>2022</u>	<u>2021</u>
	EUR	EUR
Profit brought forward previous year	193.436.977,45	186.714.989,74
Annual net profit	11.978.399,16	6.7251.987,71
Allocation to statutory retained earnings	-598.919,96	0,00
Transfer to other retained earnings	-4.005.010,00	0,00
Retained earnings	200.811.446,65	193.436.977,45

Final declaration by the Executive Board on the dependency report

"As the Management Board of NEON Equity AG, we declare that, in the case of the legal transactions listed in the report on relations with affiliated companies, the Company will receive appropriate consideration for each legal transaction in accordance with the circumstances known to us at the time when the aforementioned legal transactions were carried out."

Frankfurt am Main, 28. March 2023

Thomas Olek
CEO

Ole Nixdorf
CFO

DEVELOPMENT OF FIXED ASSETS IN THE 2022 FINANCIAL YEAR

	ACQUISITION- AND PRODUCTION COSTS				ACCUMULATED DEPRECIATION				NET BOOK VALUES	
	1. Jan. 2022 EUR	Zugänge EUR	Abgänge EUR	31. Dez. 2022 EUR	1. Jan. 2022 EUR	Zugänge EUR	Abgänge EUR	31. Dez. 2022 EUR	31. Dez. 2022 EUR	31. Dez. 2021 EUR
INTANGIBLE ASSETS										
Concessions, industrial property rights and similar rights and assets acquired for consideration and licences in respect of such rights and assets	0,00	8.991,00	0,00	8.991,00	0,00	250,00	0,00	250,00	8.741,00	0,00
	0,00	8.991,00	0,00	8.991,00	0,00	250,00	0,00	250,00	8.741,00	0,00
FIXED ASSETS										
Other plant, fixtures and fittings	372.473,23	109.760,08	0,00	482.233,31	86.603,23	75.891,08	0,00	162.494,31	319.739,00	285.870,00
	372.473,23	109.760,08	0,00	482.233,31	86.603,23	75.891,08	0,00	162.494,31	319.739,00	285.870,00
FINANCIAL ASSETS										
Equity investments	141.364.870,91	64.935.973,54	59.363.273,81	146.937.570,64	0,00	0,00	0,00	0,00	146.937.570,64	141.364.870,91
Securities included in fixed assets	56.293.701,79	20.709.950,02	9.560.223,98	67.443.427,83	0,00	0,00	0,00	0,00	67.443.427,83	56.293.701,79
	197.658.572,70	85.645.923,56	68.923.497,79	214.380.998,47	0,00	0,00	0,00	0,00	214.380.998,47	197.658.572,70
	198.031.045,93	85.764.674,64	68.923.497,79	214.872.222,78	86.603,23	76.141,08	0,00	162.744,31	214.709.478,47	197.944.442,70

Report of the independent auditor

To Neon Equity AG, Frankfurt am Main

Audit

We audited the annual financial statements of Neon Equity AG, Frankfurt am Main, consisting of the balance sheet as of December 31, 2022 and the - income statement for the financial year from January 1 to December 31, 2022, as well as the notes, including the presentation of accounting- policies.

In our opinion, based on the findings of the audit,

- The attached annual financial statements comply in all material respects with the German provisions of commercial law applicable to corporations and, in compliance with the German principles of proper accounting, give a true and fair view of the assets and financial position of the company as of December 31, 2022 - and its results of operations for the financial year from January 1 to December 31, 2022.

In accordance with Section 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any objections to the regularity of the annual financial statements and the management report.

Basis for the opinion on the annual financial statements

We conducted our audit of the annual financial statements and the management report in accordance with Section 317 of the German Commercial Code (HGB) in compliance with the German Standards for Auditing of Financial Statements adopted by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under these rules and principles are further described in the section entitled "Auditor's Responsibility for the Audit of the Financial Statements" of our audit report. We are independent of the company in accordance with German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our opinions on the financial statements.

Other information

The legal representatives or the Supervisory Board are responsible for the other information. Other information includes the Annual Report 2022 (including the report of the Supervisory Board), but not the annual financial statements and the accompanying auditor's report.

The Supervisory Board is responsible for the report of the Supervisory Board. In all other respects, the legal representatives are responsible for the other information.

Our opinion on the financial statements does not extend to the other information and, accordingly, we do not express an opinion or any other form of audit conclusion thereon.

In connection with our audit, we have a responsibility to read the above other information and to assess whether the other information

- have material discrepancies with the annual financial statements or with our knowledge acquired during the audit, or
- otherwise appear materially misrepresented.

If, on the basis of the work we have carried out, we conclude that there is a material misrepresentation of this other information, we are obliged to report those facts. We have nothing to report in this regard.

Responsibility of the legal representatives and the Supervisory Board for the annual financial statements

The legal representatives are responsible for the preparation of the annual financial statements, which comply in all material respects with the German commercial law provisions applicable to corporations, and for ensuring that the annual financial statements give a true and fair view of the assets, financial- and financial statements in accordance with German accounting principles. and the company's results of operations. In addition, the legal representatives are responsible for the internal controls they have determined to be necessary in accordance with German accounting principles to enable the preparation of financial statements that are free from material misstatement, whether intentional or unintentional.

When preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. They are also responsible for disclosing matters relating to the going concern of the company, if relevant. In addition, they are responsible for accounting on a going concern basis, unless there are factual or legal circumstances to the contrary.

The Supervisory Board is responsible for monitoring the Company's accounting process for the preparation of the annual financial statements.

Auditor's responsibility for auditing the financial statements

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether intentional or unintentional, and to provide an audit opinion that includes our opinions on the financial statements.

Reasonable assurance is a high degree of assurance, but no guarantee that an audit carried out in accordance with Section 317 of the German Commercial Code (HGB) in compliance with the German Standards for Auditing established by the Institut der Wirtschaftsprüfer (IDW) will always detect material misstatement. Misstatements may result from breaches or inaccuracies and are considered material if they could reasonably be expected, individually or collectively, to influence the economic decisions made by users on the basis of these financial statements and management reports.

During the audit, we exercise dutiful discretion and maintain a critical attitude. In addition

- identify and assess the risks of material misstatement, whether intentional or unintentional, in the financial statements and management report, plan and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk of failure to detect material misstatements is higher for breaches than for inaccuracies, as breaches may involve collusion, falsification, intentional omissions, misrepresentation or override of internal controls.
- we gain an understanding of the internal control system relevant to the audit of the financial statements and the arrangements and measures relevant to the audit of the management report in order to plan audit procedures that are appropriate in the circumstances, but not with the aim of expressing an opinion on the effectiveness of these systems of the Company.
- assess the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the estimated values and related disclosures presented by the legal representatives.
- draw conclusions about the appropriateness of the going concern accounting policy applied by management and, based on the audit evidence obtained, whether there is material uncertainty related to events or circumstances that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that there is material uncertainty, we are required to refer to

disclose the related disclosures in the financial statements and management report or, if such disclosures are inappropriate, modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or circumstances may result in the Company no longer being able to continue its business activities.

- we assess the overall presentation, structure and content of the annual financial statements, including the disclosures, as well as whether the annual financial statements present the underlying transactions and events in such a way that the annual financial statements give a true and fair view of the -company's assets, financial- position and results of operations in compliance with German accounting principles.

We discuss with those responsible for monitoring, among other things, the planned scope and timing of the audit and significant audit findings, including any deficiencies in the internal control system that we discover during our audit.

Hamburg, March 29, 2023

DMP Audit & Valuation GmbH
Wirtschaftsprüfungsgesellschaft

Carsten Matthäus
Wirtschaftsprüfer

Stephan Harzer
Wirtschaftsprüfer