2017

Annual Report 2017

Staramba
Touch the Future

Report of the Managing Director

Ladies and Gentlemen, Dear Shareholders, Employees and Business Partners,

with the 2017 financial year, Staramba SE entered a new phase of corporate development, thus implementing its original plan to concentrate its future operations fully on marketing digital and, in particular, virtual products. We had already created the basis for this in the previous year, when we changed our corporate structure from a holding company to an operating company.

In addition to refocusing our business activities on virtual reality, we were also able to take advantage of further opportunities in the digital sector by acquiring the assets of Staramba USA in mid-2017 and restructure our company. With the acquisition of stars such as Paris Hilton and Hulk Hogan as license partners, which was completed in 2018 and can then be found in the virtual world of our future project Staramba.Spaces, we created a new basis for the VR segment in 2017. In 2018, we renamed Staramba.Spaces into the virtual world Materia.One, in which users will also be able to purchase land, create their own content and interact virtually with each other and with their stars. In addition, the scan network was redefined by setting up the "avatar.cloud" product line. Both self-operated scanners and scanners from partners can now connect to the network and take advantage of the numerous services offered there. This is intended to provide scanner operators with additional options and sales opportunities for their scans. Overall, we have expanded our network of scanners extensively and were able to create new potential in particularly attractive markets such as Germany, America and Asia.

The further development of our operations and the setting of our course in 2017 meant that many of our internal processes and structures had to be rethought and reshaped. As a result of our growth, for example, we more than doubled our headcount from 31 to over 70 employees and expanded our office space accordingly. We will continue to maintain this growth in order to be able to further develop our projects quickly.

We were able to grow extremely strongly from EUR 2.1 million in the previous year to EUR 12.0 million in 2017, thereby exceeding our original sales forecast of EUR 10 million, but remained below our forecast of EUR 15.9 million, which had been raised during the course of the year. We also had to take account of special effects in the result, so that we ultimately had to report a largely non-cash net loss of EUR 43.8 million instead of the planned EUR 7.0 million.

Directly related is the fact that individual transactions and balance sheet items were revalued as part of the preparation of the amended annual financial statements as of December 31, 2017. Individual revenues were revalued so that they were either eliminated or carried forward to 2018. The profit margin has remained with the company as sales and profit contribution. On the earnings side, the impairment of goodwill arising in 2016 from the merger, a write-down of receivables and additions to provisions for litigation cost risks had an impact.

The focus has always been on the strategic and operative further development of our company. And what we have achieved confirms our approach. However, we must also state that our accounting system, in particular, was not yet able to keep pace with this massive development in other areas of our company in 2017 and early 2018. Unfortunately, this deficit ultimately led to the company receiving a rejection note from the auditor during the preparation of the (amended) annual financial statements for 2017, and we were in delays in publishing our financial statements and thus informing our shareholders about the past financial year.

As a company that has rapidly outgrown its start-up phase, we have comprehensively restructured our accounting capacities and processes. We regard the granting of the rejection note for the (amended) 2017 annual financial statements as a unique case which we had to master as a young company and which has shaped us further. Against this backdrop, we already positioned ourselves significantly better in the financial area in April 2018. In addition, we plan to reorganize the Board of Directors accordingly and to have proven experts for finance and auditing elected to the highest body.

Despite all the structural and financial challenges that our growth rate brings with it, the overall outlook for fiscal years 2018 and 2019 is favourable and we look to the future of Staramba SE with confidence. A particularly important project for our further development is the sale of our own crypto currency Staramba.Token, which can in future be used both for the acquisition of the in-game currency Materia.Notes and as a means of payment with corresponding Staramba partners and has been admitted to trading on a crypto exchange since the end of November 2018. We successfully completed the Initial Token Sale at the end of October 2018. Other highlights in 2018 included the opening of the second largest motion capture studio in Germany, making Staramba one of the leading MoCap providers in Europe as a one-stop shop. As a result of this expansion of our value chain, we now offer all MoCap services for games developers and film production under our own name from a single source.

We are pleased with our rapid company development, even though it has presented us with some challenges and continues to do so. Nevertheless, we are optimistic about the future of the "new" Staramba as a VR expert with an increased focus on the digital business. We are confident that we will be able to create sustainable value for our shareholders with our promising technologies and IP-based portfolio and will be repositioned and strengthened to start 2019.

We thank our employees for their dedication, commitment and creativity. We also value the trust of our business partners and shareholders and would be delighted if you would continue to accompany us on our exciting journey.

Berlin, January 2019

Christian Daudert

Managing Director
Staramba SE

Report of the Board of Directors

Dear Shareholders,

In the 2017 financial year, the Board of Directors performed its duties in accordance with the law, the rules of procedure and the Articles of Association with great care and in full. It managed the Company, defined the basic principles of its business activities and continuously supervised and advised the Executive Directors in their work. To this end, a lively exchange took place between the Board of Directors and the Managing Directors, both orally and in writing. The main focus was on the business strategy, in particular the future project Staramba.Spaces and the development of the individual investments as well as the dissolution of the group structure towards the middle of the year. In addition, the Board of Directors discussed the net assets, financial position and results of operations as well as asset, investment, sales, earnings and financial planning. The Managing Directors fulfilled their information duties in full at all times.

The Board of Directors was informed in good time of all events of particular importance. Transactions requiring approval were duly submitted to the Board of Directors by the Managing Directors at an early stage. The Board of Directors examined all reports and documents in detail. All transactions requiring approval were approved.

Meetings of the Board of Directors

In the 2017 financial year, the Board of Directors held a total of seven meetings, which were attended by a quorum of Board members and Managing Directors. In 2018, a further four meetings of the Board of Directors were held until the meeting on 29 November 2018 to approve the balance sheet for the amended 2017 annual financial statements. As there were no committees, the deliberations of the Board of Directors took place exclusively within the Board as a whole.

Focus of the discussions in the Board of Directors

Regular discussions in 2017 focused on the development of Staramba SE's sales, earnings and employment, its financial position, strategic prospects and further development of the company, in particular the virtual worlds Staramba.Spaces, as well as preparations for the Initial Token Offering (ITO) planned for 2018.

The Managing Directors regularly and comprehensively informed the Board of Directors about corporate planning, the course of business and the current situation of the company. The Board of Directors dealt in detail with the economic situation and with the operational and strategic development and discussed the further development of the company.

In addition to statutory regular reporting, the following main topics in particular were intensively discussed and reviewed by the Board of Directors:

- Audit and approval of the 2016 annual financial statements
- Preparation of the Annual General Meeting in 2017
- Annual planning for the 2018 financial year
- Issuance of a convertible bond
- Implementation of a capital increase
- Change in the corporate structure, in particular in the
- Complete takeover of Staramba USA Corp.
- Discontinuation of the Group structure
- Further adjustment of the corporate structure in line with the new focus on digital content and virtual reality
- Possible future geographical market development
- Analysis of business development in the areas of scanners, 3D data and 3D figurines
- Activities with global partners
- German Corporate Governance Code, Declaration of Conformity pursuant to Section 161 AktG and Corporate Governance Declaration
- Implementation of measures to optimize operational efficiency
- Structuring of research and development activities in the scanner and VR area
- Financial Statements and their Audit for the Financial Year 2017

Annual Audit

BDO AG Wirtschaftsprüfungsgesellschaft (Berlin), the auditors elected by the Annual General Meeting on 25 July 2017 to audit the financial statements for the 2017 financial year and commissioned by the Board of Directors, concluded the audit due to audit obstacles in the preparation of the annual financial statements and management report and issued a negative opinion. The documents relating to the financial statements, the audit report and the reasons for refusing the audit opinion were discussed in detail at the meeting of the Board of Directors on 25 May 2018. Measures were immediately initiated and implemented to ensure the preparation and publication of the amended annual financial statements and management report for the 2017 financial year.

Following the final assessment of business transactions and individual balance sheet items, significant corrections were made to the annual financial statements, the effects of which on the presentation of the net assets, financial position and results of operations and on the relevant items in the financial statements are as follows:

- In the course of the mergers and share swaps in 2016, goodwill of around EUR 87 million arose for accounting purposes, the scheduled residual book value of which was reduced to around EUR 21 million in the course of a revaluation by means of an unscheduled - non-cash - write-down.

- The acquisition of intangible assets necessary for future business success - such as license agreements - was revalued in the balance sheet. This resulted in unscheduled - non-cash - depreciation of EUR 3.1 million and expenses of EUR 5.0 million.
- The revaluation of important sales transactions with international business partners led to a reduction in reportable sales revenues of EUR 4.3 million, although the margins from the remaining business transactions remained unchanged.
- The company has accepted long payment terms for a software development order in order to win the customer over. The revaluation of a resulting trade receivable led to an individual value adjustment of EUR 2.1 million, which had no effect on liquidity and was recognised as an expense.
- In addition, provisions were formed for any litigation cost risks, which led to expenses of EUR 0.7 million.

The amended annual financial statements - consisting of the balance sheet, income statement, notes, cash flow statement and statement of changes in equity - and the amended management report as at 31 December 2017 were thus prepared in full in accordance with the rules of the German Commercial Code (HGB) as at 29 November 2018 and audited by BDO as part of a supplementary audit in accordance with Section 316 (3) HGB. In addition, the Board of Directors refers to the provisions of IDW HFA RS 6.

After a supplementary audit lasting several months, BDO submitted a draft version of the audit opinion with qualifications to the company on 28 November 2018, one day before the balance sheet meeting, and requested the company's declaration of completeness.

At the balance sheet meeting on 29 November 2018, BDO presented the need for further lengthy audit procedures. In order to avoid the administrative fines and coercive measures threatened by the BaFin (Federal Financial Supervisory Authority), the Board of Directors unanimously decided to exclude further audit procedures, whereupon BDO issued a refusal note to the company on 30 November 2018 with reference to the lack of sufficient and suitable audit evidence.

In the opinion of the Board of Directors - with the exception of the additional reference to a possible commercial balance sheet over-indebtedness and derived doubts about the going concern assumption - the indications in the denial note are largely identical with the qualifications, indications and key audit opinions of the draft audit opinion:

- With regard to a software development project completed in 2017 from a company and customer perspective - taking into account legal and expert opinions as well as affidavits - the company realized the entire contract value as revenue in 2017 and recognized an individual valuation adjustment with an effect on expenses for the outstanding receivable. BDO does not see any revenue recognition in 2017 due to the payment periods extended into 2018 and due to criticised project documentation with regard to completion and therefore considers revenue of EUR 7.4 million to be insufficiently proven.

- The company has provided full details of transactions with related persons and companies in the notes to the financial statements, taking into account commissioned legal opinions as well as information obtained from the company itself and affidavits in lieu of an oath. From BDO's point of view, this information is incomplete and not comprehensive, as the company has not disclosed transactions with former, already unbundled Group companies.
- In its Forecast Report, the company declared the revenue from the sale of tokens (ITO - Initial Token Offering of the Staramba.Token) in 2018 as revenue recognition and pointed out in the Management Report that this practice is controversial under tax and commercial law due to the lack of precedents in Germany. Due to the unclear legal situation, BDO does not anticipate any revenue recognition from token sales in 2018 and proposes to treat the token sales as vouchers.
- As a listed technology start-up, the company is dependent on access to the capital market and external financing to secure its continuation and has so far been able to meet its payment obligations at all times. As part of its stress test planning, the company estimated future liquidity requirements for commercial prudence and then entered into extensive financing commitments, loan extension agreements, preliminary agreements for capital measures and the proceeds from the sale of tokens. Nevertheless, BDO criticizes the lack of audit evidence that there is no over-indebtedness under insolvency law or that the continuation is predominantly probable according to § 19 InsO.
- The company has already written down the goodwill of EUR 87 million determined in 2016 by BDO AG Wirtschaftsprüfungsgesellschaft (Hamburg) to EUR 21 million in the 2017 annual financial statements. The amortisation was carried out on the basis of an updated goodwill calculation carried out internally and agreed with BDO. In particular, the recoverability of goodwill was a so-called key audit matter in the draft report dated 29 November 2018 and BDO documented the so-called auditor's reaction in dealing with this audit focus separately. Nevertheless, BDO criticises in the refusal note any impediments to testing in connection with the determination of the recoverability of goodwill which do not rule out the possibility that equity may be depleted and derives from this a lack of test evidence that there is no insolvency over-indebtedness or that the continuation in accordance with § 19 InsO is predominantly probable.

The Board of Directors has again examined the amended annual financial statements and the amended management report as at 31 December 2017 for completeness and accuracy, taking into account the auditor's report. All documents and the auditor's report were submitted to the Board of Directors in good time and were discussed in detail at the balance sheet meetings of the Board of Directors on 29 November 2018 and 30 November 2018. In addition, the Board of Directors discussed and evaluated in detail the limitations, indications and key audit opinions of both the draft audit opinion with limitations dated November 28, 2018 and the failure opinion dated November 30, 2018.

The auditors reported on the main findings of their audit and were available to answer questions and provide supplementary information to the Board of Directors.

Following its own examination and discussion, the Board of Directors raised objections to the auditor's opinion and protested against BDO's approach. After intensive discussion, the Board of Directors finally took note of the final audit results of BDO and approved and adopted the amended annual financial statements and the amended management report for 2017. Accordingly, the net loss for the fiscal year 2017 amounts to EUR 43 million. The annual financial statements of Staramba SE are thus adopted in accordance with section 47 para. 5 SE-AG.

Corporate Governance

In the past fiscal year, the Board of Directors continuously monitored the implementation of the provisions of the German Corporate Governance Code and the development of corporate governance standards. In April 2018, an updated Declaration of Conformity in accordance with Section 161 of the German Stock Corporation Act was issued and made permanently available to shareholders on the Company's website. Information on corporate governance in the Company and a detailed report on the amount and structure of the remuneration of the Executive Directors and the Board of Directors can be found in the Corporate Governance Statement and the Remuneration Report. The amended 2017 financial statements are also available on our website.

In the period under review, there were no conflicts of interest among the individual members of the Board of Directors or the Managing Directors that have to be disclosed to the Board of Directors and about which the Annual General Meeting must be informed.

Composition of the Managing Directors and the Board of Directors

The Managing Directors in the 2017 financial year were Mr Julian von Hassell (until 28 March 2017), Mr Christian Daudert and Mr Frederic Cremer. Effective March 28, 2017, Mr. Daudert took over from Mr. von Hassell, who had resigned at his own request. We would like to take this opportunity to expressly thank Mr. von Hassell for his services to Staramba. Mr Cremer joined the management team on 1 December 2017. At its meeting on April 30, 2018, the Board of Directors of SSE terminated the appointment of Mr. Cremer by mutual agreement. At the same time, Mr. Rainer Hjort was appointed "Acting COO" as operational successor without a seat on the Board of Directors. Mr. Hjort is a renowned entrepreneur with 30 years of experience in project and product management, information and communication technology (ICT), software development and operations.

The Board of Directors currently consists of five members: Christian Daudert (Chairman), Prof. Dr. Klemens Skibicki (Deputy Chairman), Rolf Elgeti, Marthe Rehmer (born Wolbring) and Mark Kneifel. Mr Julian von Hassell was a member of the Board of Directors until the Annual General Meeting on 25 July 2017.

On behalf of the Board of Directors, I would like to thank all our employees for their personal commitment and constructive cooperation over the past eventful months of our company.

Berlin, November 30, 2018

Christian Daudert

Chairman of the Board of Directors
Staramba SE

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Amended management report 2017

Preliminary note

During preparation of the annual financial statements and the 2017 management report of 25 May 2018, the company received an adverse opinion from the auditor BDO AG Wirtschaftsprüfungsgesellschaft. As part of the preparation of the amended annual financial statements as of 31 December 2017, certain business transactions and balance sheet items were revalued. Due to the measures required, initiated and implemented, the preparation and publication of the amended annual financial statements and the amended management report for the 2017 fiscal year have been delayed.

The amended annual financial statements and the amended management report of Staramba SE, which have been prepared by the Managing Director, take into account all circumstances occurring after the end of the 2017 fiscal year.

The amended management report contains forward-looking statements. Actual results may differ from expectations regarding the anticipated development.

A. Basics of the company

Significant changes in the structure of the company

The reporting year and the previous year are only comparable to a limited degree. While the year 2016 was still characterised by corporate restructuring such as the purchase and sale of shares and a merger, the year 2017 was largely influenced by the start-up and expansion of operating activities.

On 13 April 2017, Staramba SE (SSE) acquired Staramba USA Corp. (SUSA), New York. SUSA operates in the same 3D market segment as Staramba SE and holds significant licenses and exploitation rights to world-famous stars from sports and entertainment, including World Wrestling Entertainment, Inc., the National Football League and KISS. Subsequent to the acquisition, all assets of SUSA were acquired and then the shares in SUSA were resold.

Business model

At the beginning of the 2017 fiscal year, the management defined a new focus: in the future, Staramba will focus more on applications that enable social interaction in the virtual world. As a VR pioneer, SSE intends to deal with hardware and software expertise, in particular with the development of virtual reality (VR) and augmented reality (AR) software. The Lighthouse project aims to develop a social VR network that will have relevance in the future, with lifelike avatars - Staramba.spaces: a virtual world in which fans can interact with international stars from sports, music and entertainment up close. Photorealistic avatars and the integration of social media channels aim to make Staramba.spaces into a unique VR experience.

Another business area is the 3D-INSTAGRAPH® photogrammetry scanner developed by Staramba. In the future, the scanner is to be used by certified partners to scan consumers and create photorealistic 3D avatars for a wide range of applications. At the same time, all owners of a Staramba scanner will be facilitated with the appropriate software to further develop and process 3D data. Staramba also offers fans of celebrities in the world of sport, music, and entertainment the opportunity to depict their chosen stars according to their wishes, and then have them printed on demand as 3D figurines. The digital products and 3D figurines are sold in our own online shop.

The corporate goal of Staramba SE is to provide its customers with innovative and customised solutions and to take advantage of new opportunities that arise in the face of an increasingly digital environment. In so doing, Staramba is blazing new trails where few businesses have gone before. Nevertheless, there is already a known demand for VR/AR solutions and for purely digital and/or digitally offered product solutions on the part of the license holders of prominent sports and entertainment celebrities, of whom SSE is the licensee. Especially in the area of social VR networks, Staramba strives to be a pioneer, offering its partners the opportunity to be involved right from the start.

At the end of October 2018, SSE completed the sale of its own cryptocurrency Staramba.Token, as a first phase. This cryptocurrency can be used in the future both for acquiring in-game currency for Staramba.spaces and as a means of payment with relevant SSE partners. In addition, there is a plan to list the tokens on a crypto exchange. At the same time, the cash inflows generated in this way will accelerate development and expansion of Staramba.spaces.

B. Company management

Organs

The company has a single-tier management structure. The company's organs are the annual general meeting, the Board of Directors and the Managing Directors. The Board of Directors consists of five members: Christian Daudert (Chairman), Professor Dr Klemens Skibicki (Vice-Chairman), Rolf Elgeti, Marthe Wolbring and Marc Kneifel. Mr Julian von Hassell was a member of the Board of Directors until the annual general meeting of 25 July 2017.

The managing directors in the fiscal year were Julian von Hassell (until 28 March 2017), Christian Daudert and Frederic Cremer. On 28 March 2017, Christian Daudert took over that office from Mr von Hassell. On 01 December 2017, the management team was expanded to include Mr Cremer. At its meeting on 27 April 2018, the SSE Board of Directors suspended the appointment of Mr Frederic Cremer.

Management system

For the first time in 2017, company management began leading the company on the basis of financial and non-financial key figures. In addition to sales and EBITDA, the financial performance indicators include operating cash flow and available liquidity.

In addition to the financial indicators mentioned above, Staramba will also use selected non-financial key figures to manage the company in the course of 2018.

The name recognition of the Staramba brand should be measured by the number of monthly website visitors. Therefore, in the future the company will monitor this key figure and manage the online marketing budget accordingly.

The company aims to manage sales activities and sales budgets based on compliance with trade fair activity, test device settings, number of probe scans, and response rate to marketing promotions.

C. Economic report

Macroeconomic and industry development

According to the Kiel Institute for the World Economy (IfW), the highest growth rate of global production (calculated in purchasing power parities) since the year 2011 was recorded at 3.9% in 2017. However, in the fourth quarter the expansion weakened slightly in comparison to the very strong growth in the summer half-year. In the advanced economies, expansion towards the end of 2017 remained strong. In the emerging markets, the economic momentum increased noticeably in the course of 2017, but the pace of expansion exhibited no acceleration since the middle of the year.

For the eurozone, 2017 was the most economically successful year in a decade. However, gross domestic product (GDP) rose by 0.6% compared to the previous quarter, leading to an overall increase of 2.3% for the year as a whole. The main driver of the upswing remains consumption, which benefits from the continuous reduction of unemployment in the euro area. As a second pillar, investments are becoming increasingly important – not least because the capacity limit is being approached as part of the long-lasting economic recovery and companies must invest in order to meet demand. Unlike in the last four years, foreign trade has also recently contributed to growth. In particular, orders from outside the eurozone increased significantly in the second half of 2017.

The economic situation in Germany was characterised by steady and strong economic growth in 2017 (Q1: +0.9%, Q2: +0.6%, Q3: +0.7%, Q4: +0.6%). This resulted in an increase of 2.2% for 2017 as a whole. Positive growth impulses were primarily domestic: while private consumption increased by 2.0%, government consumption increased by 1.4%. Gross fixed capital formation recorded a significant plus of 3.0%. German exports increased by 4.7% compared to the previous year, while imports increased by 5.2%. The contribution from exports thus contributed 0.2 percentage points to GDP growth in 2017.

An overall assessment of the market situation in Germany was provided by the first nationwide study on the games industry in Germany, published in December 2017, which was funded and promoted by the associations of the German games industry, BIU (Bundesverband Interaktive Unterhaltungssoftware - Federal Association of Interactive Entertainment Software) and GAME (Bundesverband der deutschen Games-Branche), as well as The Federal Government Commissioner for Culture and the Media (BKM), as part of the Federal Cultural and Creative Industries Initiative, the Berlin Senate Chancellery and the Hessian Ministry for Economic Affairs, Energy, Transport and Regional Development. As a result, the sales of the games industry in Germany is increasing annually, but the share of German developments in total sales is very low. In the past fiscal year, the Games market totalled €3.3 billion, compared with €2.9 billion in the previous year, representing a growth of 14%. However, according to the industry association, the market share of German developers was just under 6%.

Within the overall sales in the German games market, the highest share of €1.2 billion came from video games for PCs, consoles, etc. In 2017, hardware components such as game consoles, handhelds and accessories totalled around €940 million, or 25.8% over the previous year. On the one hand, the market figures illustrate the rapid growth in the sector, but also the resulting potential of German providers to expand their market share.

However, according to the study, numerous economic and political challenges are currently making it increasingly difficult for German game actors to assert themselves in the fiercely competitive international market.

Presentation of the company's position

Overall statement by the managing director

The Board of Directors together with the management had ambitious expectations for the company's development for the 2017 fiscal year. At the end of April 2017, the sales forecast for 2017 was raised from €10 million to €15.9 million. In addition, due to the scheduled write-downs of goodwill (€11.5 million), the management calculated a loss of €7 million for 2017. As part of preparation of amended financial statements as of 31 December 2017, the management has reassessed individual business transactions and balance sheet items. In addition, planned sales with certain major customers could not be carried out.

For the 2017 fiscal year, total sales amounted to €12.0 million (previous year: €2.1 million). The net loss for the year was €43.8 million and is mainly attributable to the unscheduled value adjustment of goodwill resulting from the merger in 2016, unscheduled write-downs on software, database modules and licenses, a write-down of receivables and the allocation to provisions for litigation cost risks. The forecasts for the 2017 fiscal year reported in the previous period thus fell significantly short. Also, the orders announced in the interim releases in the field of 3D scanners could not be carried out as had been hoped.

In the year under review, the SSE was able to position itself on the market as an innovative VR expert and develop its image as a technology-based provider of digital sports and entertainment merchandise products. The quality of the 3D-INSTAGRAPH® scanners could be improved by updates, which resulted in the launch of the new "Fusion" scanner at the end of June. As a result, the SSE is observing a noticeable increase in the interest of international trade media as well as a strengthening of our brand image.

Asset situation

As of the balance sheet date, the fixed assets of the company amounted to €23,067k on the balance sheet date (31 December 2016: €77,484k). At €21,158k, the main item here is goodwill (31 December 2016: €75,015k). The goodwill underwent an unscheduled write-down as of 31 December 2017 in the amount of €42,316k. This is due to the significantly reduced sales forecast in the area of scanners & 3D compared to the original plan. In addition, investments were made in the area of purchased intangible assets, which had to be amortised substantially in their entirety. In this respect, the balance as of the balance sheet date amounts to €1,527k (31 December 2016: €2,106k) and for property, plant and equipment, which increased due to investments, to €363k (31 December 2016: €160k).

The current assets of €9,389k (31 December 2016: €3,322k) include €6,072k for trade receivables, whereby a value adjustment of €2,095k has already been taken into account in this item. The significant increase in trade receivables mainly results from the increase in sales in 2017, including the sale of a single project, namely the first-time sale of a virtual space. The main item of other assets is receivables in the amount of €2,940k, which mainly relate to receivables from shareholders and former affiliated companies. The cash and bank balances of the company amount to €258k (31 December 2016: €14k). Prepaid expenses and deferred income are recognised at the reporting date in the amount of €137k (31 December 2016: €122k). This mainly includes license fees for subsequent fiscal years.

As at 31 December 2017, the balance sheet total is €32,593k (31 December 2016: €80,928k). The decline compared with the previous year's reporting date mainly results from the unscheduled write-down of goodwill on the asset side and from the decline in equity on the liability side.

Financial situation

Financial management policies and goals

The fundamental objectives of financial management are to optimise the company's profitability and liquidity assurance situation. Liquidity planning is prepared on an annual basis and reviewed and updated on a monthly basis. The managing director receives a monthly liquidity report, which enables a short-term liquidity forecast. As the company currently does not generate sufficient available liquidity, it will refrain from distributing dividends. In order to meet the necessary liquidity requirements during the year, the company is relying on financing from its own funds and external funds. In the reporting period, the company covered its financing requirements mainly by issuing a convertible bond and by raising capital.

Capital structure

The equity as at 31 December 2017 amounts to €14,992k (31 December 2016: €54,268k). On the one hand, this was due to the capital increase, which led to an increase of €4,500k, and on the other hand, to the net loss for the year of €43,776k. With a balance sheet total of €32,593k, this results in an equity ratio of 46% (31 December 2016: 67%).

The debt capital of the company totals €11,523k as of 31 December 2017 (31 December 2016: €3,905k) and consists of provisions and liabilities.

The provisions amount to €1,284k as of 31 December 2017 (31 December 2016: €264k) and consist of tax provisions in the amount of €193k (31 December 2016: €34k) and other provisions in the amount of €1,091k (31 December 2016: €230k). The other provisions mainly consist of provisions for litigation risks. In addition, provisions were made for outstanding invoices, for retention obligations and for holiday entitlements not utilised by employees at the reporting date.

As at 31 December 2017, liabilities amounted to €10,239k (31 December 2016: €3,641k). They consist mainly of liabilities from convertible bonds issued for the first time amounting to €3,500k (31 December 2016: €0.00), trade payables amounting to €446k (31 December 2016: €732k) and other liabilities in the amount of €6,292k (31 December 2016: €2,328k). The increase in other liabilities results from tax liabilities in the amount of €1,242k (31 December 2016: €0.00) as well as from liabilities from shareholder loans received in the amount of €3,505k (31 December 2016: €0.00). Liabilities in the context of social security amount to €2k (31 December 2016: €36k).

Investments

In February 2017, the company acquired all shares in Staramba USA Corp. for €5,100k. In June 2017, all assets of the company were acquired and in return the entire investment was sold. As a result, the company essentially opened up business opportunities based on license agreements concluded in the USA. Since the purchase price was €4,300k above the value capitalised in fixed assets, there had to be an immediate unscheduled write-off of this amount. The license agreements themselves were capitalised at €795k and also completely written off.

In February 2017, Staramba SE acquired intangible assets from yoyo smart web solutions AG for €1,525k. These mainly included specific tools, databases, mechanics, customer lists, and domains. Further investments amounting to €2,000k were made via acquisition of AI (Artificial Intelligence) modules. The acquisition costs were written off in full as of the reporting date.

As of the balance sheet date, there were no significant outstanding investment commitments.

Liquidity

The company generated negative cash flow from operating activities of €3,986k in the reporting period. The outflow of funds from investing activities (e.g. acquisition of licenses, software) amounted to €4,771k, and inflow of funds from financing activities (e.g. convertible bond, capital increases) amounted to €8,999k. Cash and cash equivalents increased in the reporting year by €241k to €256k.

The company increased its capital in March and October 2017. As a result, the subscribed capital was increased by €220k and an additional €4,279k was added to the capital reserve. Amounts totaling €1,500k were transferred to equity as part of the capital increase carried out in October 2017 by converting the issued convertible bond into 70,755 no-par-value shares. This amount was previously received via subscription of the convertible bonds. The further capital increase took place in funds. After deducting the costs associated with the capital increases, the company received a total of €2,787k in new financial resources. Liquidity hedging in the reporting year also took place by taking up short-term loans and the described capital measures. Around €3,600k of short-term loans from shareholders and €500k of short-term loans were taken out, which were already repaid at the time the report was prepared. Based on the above-mentioned capital increases and loans, the company's ability to meet its payment obligations was secured during the period.

With regard to the strained liquidity situation at the time of preparing the report, we refer to our comments in the risk report.

Earnings situation

Sales increased to €12,049k in the 2017 fiscal year (2016: €2,053k). The sale of a virtual space for around €6,480k, services in connection with 3D modelling in the amount of €3,900k, and otherwise the delivery of scanners and software contributed significantly to this.

Other operating income amounted to €283k (2016: €57,549k, predominantly from the merger profit) and resulted almost entirely from the reversal of write-downs on receivables written off in the previous year.

In 2017, expenses for services received amounted to €728k (2016: €665k) due to a slight increase in outsourced programming work.

Personnel expenses amount to €2,399k (2016: €1,434k). The increase in personnel expenses compared to the previous year is attributable to the significant increase in the number of employees in programming and product development.

The operating result before interest, taxes, depreciation and write-downs (EBITDA) reached a value of €820k (2016: €54,883k).

Scheduled write-downs totaling €13,624k (2016: €12,205k) were recognised and mainly resulted from depreciation on intangible fixed assets, in particular goodwill of €11,541k. In addition, unscheduled write-downs of goodwill in the amount of €42,316k was made on the basis of the recognised value adjustment requirement as well as unscheduled write-downs on software, database modules and licenses in the amount of €3,141k.

Other operating expenses amounting to €9,768k (2016: €1,871k) are heterogeneous in nature. An increase can be seen in the expenses for rent and operating costs, maintenance, insurance, advertising and travel expenses and results from the expanded business operations.

In addition, €4,300k of the acquisition of assets from Staramba USA Corp. had to be recognised as an expense because the purchase price was above the value capitalised in fixed assets.

Earnings before interest and income taxes (EBIT) amounted to €-59,915k (2016: €42,677k).

The financial result in the reporting period amounted to €-355k (2016: €-380k).

Earnings after taxes in the reporting year amounted to €-43,776k (2016: €45,767k). The substantial deviation compared to the previous year is mainly due to the unscheduled value adjustment of the goodwill resulting from the merger in 2016, the devaluation of a receivable and the addition to the provisions for litigation cost risks.

Employees

As of 31 December 2017, a total of 73 employees were employed at SSE. The number of employees has more than doubled compared to the balance sheet date of the previous year (31 December 2016: 31 employees). The SSE saw a steady increase in staff during the reporting year, mainly to strengthen the company in the areas of software and virtual reality development.

Research and development

Application-oriented research and development is being carried out at the company level. The costs for development work for new product development and product maintenance mainly relate to personnel expenses and purchased services. Research and development expenses are not capitalised, so there is no accounting treatment for internally generated intangible assets. As of the balance sheet date, 48 employees (previous year: no entry) were involved in the development and programming of new products in the area of research and development.

D. Remuneration report

Pursuant to §285 no. 9 HGB (German Commercial Code), the Board of Directors of the company hereby reports that its members did not receive any fixed or variable remuneration in the reporting year for the performance of its role. They were only reimbursed for the travel expenses associated with attending board meetings. Since March 2017, Managing Director Christian Daudert has been receiving a fixed monthly payment amounting to €10k. In December 2017, Managing Director Frederic Cremer began receiving fixed monthly payments amounting to €10k. Variable remuneration components were not paid and were not provided for by the Board of Directors during the reporting year, although the contracts of the Managing Directors provide for a variable remuneration component in the future. No member of the board has been granted performance-related remuneration or components as long-term incentives.

The total remuneration of the Managing Directors of the SSE in the 2017 fiscal year amounts to €157k (previous year: €99k). This remuneration is broken down as follows:

Name	**Julian von Hassell**	**Christian Daudert**	**Frederic Cremer**	**Total**
Role	Managing Director			
Non-performance-related remuneration in €thousands	51	96	10	157
Performance-related remuneration	0	0	0	0
Components with long-term incentive effect	0	0	0	0
Total	**51**	**96**	**10**	**157**

On 17/20 March 2017, Managing Director Julian von Hassell concluded a settlement agreement to discontinue the appointment and employment relationship as of 28 March 2017. Thereafter, Mr von Hassell received a monthly remuneration of €12,000.00 plus VAT until 30 April 2017. In addition, as compensation for the termination of the service contract it was agreed that Mr von Hassel would receive 50,000 shares of Staramba SE as of 30 April 2017 (value date) at the company's discretion or via 11 Champions AG. This obligation was taken on by 11 Champions AGvia amendment of the settlement agreement of 6/7 June 2018. He also had a company car. The monthly costs for this company car amount to €1k and they are already included in the above-mentioned remuneration.

E. Statement on corporate governance

Relevant corporate governance practices

The SSE aligns its activities to the legal regulations of the countries in which the company operates. In addition to responsible corporate governance in accordance with the law, the company has issued regulations that reflect its mission and leadership principles. The guiding principles of the SSE include the best possible customer orientation, strong performance, securing and improving its technological developments and key technologies, along with creation of a positive working environment for its employees.

Manner of working of the Managing Directors and Board of Directors

The Board of Directors directs the company, determines the basic lines of its activities, and monitors their implementation. The Board of Directors convenes the annual general meeting if the welfare of the company so requires. A simple majority is sufficient for a resolution. §83 AktG (Stock Corporation Act) applies accordingly for the preparation and execution of resolutions by the general meeting. The Board of Directors may delegate individual tasks to the Managing Directors.

Resolutions of the Board of Directors are generally adopted at meetings. However, the Board of Directors chairman may decide to hold a vote in writing, by fax, by email, verbally, by telephone, or by any combination of the aforesaid means of communication as needed, for example, for matters of urgency or if no member objects. The Board of Directors is quorate if all members participate in the resolution. In the case of a resolution in attended meetings, absent members of the Board of Directors may participate in the passing of a resolution by submitting a written vote via attending members of the Board of Directors. The votes may also be communicated to the attending Board of Directors members via fax or email.

The Board of Directors meet regularly, quarterly at least once, to assess the company's situation and to discuss or adopt strategic measures for the future. In addition, telephone conferences shall be convened whenever the situation of the company requires. The Managing Director reports to the Board of Directors regarding the company's current status at each meeting.

Declarations of the Board of Directors intent may be made by the chairman acting on the Board of Directors behalf or, in the chairman's absence, by the vice-chairman.

The following types of transactions require an express vote of the Board of Directors:

a) preparation of the company's business plans, medium-term planning and the annual budget;
b) acquisition or disposal of a company if and to the extent its value exceeds a threshold set by the Board of Directors.

The Board of Directors may make other types of transactions subject to its approval.

According to the corporate governance declaration, the five members of the Board of Directors must include at least one female member in accordance with the resolution of 23 September 2015. The German Codetermination Act does not apply to the company.

The Board of Directors has adopted rules of procedure which define the respective responsibilities, tasks, and rights of the Board of Directors and its members. In addition, the Board of Directors has issued rules of procedure for the managing directors it appoints; the latter's compliance with said rules is subject to constant review.

The Board of Directors will propose to the Staramba SE annual general meeting to partially re-appoint the Board of Directors in order to further enhance the expertise of this significant corporate body. To this end, designated experts for finance and auditing are to be presented to the Board of Directors for election. Under the new management, an audit committee will be set up to prepare and supervise the audits in the future. Staramba SE attaches great importance to transparent and continuous communication in order to emphasise the company's trustworthiness.

The Managing Directors manage the company's business activities. If several Managing Directors have been appointed, they are only authorised to jointly manage the business. Tasks assigned to the Board of Directors by law may not be delegated to the Managing Directors.

The Board of Directors has created rules of procedure for the managing directors, subject to amendment at the Board of Directors sole discretion. In addition, the Board of Directors may decide, either generally or on a case-by-case basis, which types of transactions require its prior approval. The managing directors shall comply with the Board of Directors instructions, in particular the rules of procedure it has stipulated.

The Managing Directors represent the company both in and out of court. The company is generally represented jointly by two managing directors or by one Managing Director in conjunction with a proxy. If only one Managing Director has been appointed, he or she shall solely represent the company.

On 28 March 2017, the Board of Directors appointed Christian Daudert as the new Managing Director. Mr Daudert took over the role from Mr Julian von Hassell, who left his office as Managing Director on 28 March 2017 at his own request. On 01 December 2017, the management team was expanded to include Mr Cremer. At its meeting on 27 April 2018, the SSE Board of Directors suspended the appointment of Mr Frederic Cremer. The termination of employment was by mutual agreement. By resolution at the annual general meeting on 28 July 2016, the company's Board of Directors was expanded from three to five members. Two major shareholders, Christian Daudert and Rolf Elgeti, were then elected to the Board of Directors in 2016. They formed the Board of Directors together with the previous members Prof. Klemens Skibicki, Marthe Wolbring and Julian von Hassell until the annual general meeting of 25 July 2017. At the annual general meeting of the reporting year, former

Managing Director Julian von Hassell was replaced by Marc Kneifel with a resolution of the annual general meeting. When the Board of Directors was thus constituted, Christian Daudert was elected as its chairman. His deputy continues to be Prof. Klemens Skibicki.

Information on statutory minimum ratios in management positions

By resolution of the Board of Directors on 23 September 2015, the company set the target for the proportion of women on the Board of Directors to be at least 30%. Since the Board of Directors of the time already had 33.33% female membership, there was no need to set a deadline to meet this goal. By resolution of the company's annual general meeting of 28 July 2016, an increase of the Board of Directors from three to five members was decided, which was entered into the company's commercial register on 18 August 2016. Because the company could not find a suitable female candidate to elect to the board, the ratio of female members dropped to 20% as a result of the increase.

Given this situation, the Board of Directors decided on 19 August 2016 to set a conversion period of five years for (re)achievement of the fixed quota of 30% for the percentage of women on the Board of Directors. The previously taken decision, that at least 30% of the Managing Directors should be women if the company decides to appoint three or more Managing Directors, remained unchanged. Since there are no further management levels below that of the Managing Directors, a quota for female middle management has not been set.

Compliance declaration in accordance with section 161 AktG

Staramba SE's Board of Directors is required, pursuant to Art. 9 Para. 1 lit. c) ii) SE-VO, §22 Para. 6 SEAG in conjunction with § 161 of AktG, to declare at least once a year whether the German Corporate Governance Code has been and will be complied with, or which recommendations of the Code have not or will not be applied and why not. Staramba SE's Board of Directors has issued a declaration, published in April 2018 on the Company's website at https://company.staramba.com/about/investors/corporate-governance.

F. Future growth and prospects: significant opportunities and risks

Opportunities and risk report

Conscious and controlled handling of opportunities and risks forms the basis for sustainably successful corporate development. In a rapidly growing global industry environment, the SSE is regularly presented with opportunities that it wants to successfully utilise. On the other hand, it is important to appropriately manage risks in order to secure the company's continuance. Opportunity and risk management will therefore be an important component of SSE's corporate management in the future.

Opportunities

The SSE regularly assesses the company's opportunities. In principle, opportunities can arise through further development of software and hardware standards or through introducing new or improved products onto the market.

The SSE is currently focused on the market of VR/AR software development, 3D merchandising and digital sports marketing. The addressed markets are expected to show high growth rates in the foreseeable future, even though the modern VR market is still in its infancy.

In these aforementioned markets, the SSE intends to develop a good position within its market niche in the field of digital sports marketing by virtue of its sports license agreements. Due to continuous development of the scanner system and of the associated software, from the company's perspective the scan quality of Staramba's 3D-INSTAGRAPH® is superior to the competition. Since in the VR world the current trend indicates that in the future it will also be possible for private individuals to scan themselves, in order to be capable of creating a perfect digital image of themselves for use online, the company sees a further opportunity here for generating increased scanners sales in the future.

In the course of global digitalisation, a trend towards individualised products is also observable in the merchandising industry. Staramba could benefit enormously from these trends. Development in the area of virtual reality may unfold even more dynamically.

Risk report

Risk management objectives and methods/internal control system

The risk management system and the internal control system were only partially available with regard to the accounting processes in 2017, mainly as a result of the changeover from the holding structure to the start of operating business activities, and will be further expanded in the course of 2018. Based on the reporting tools, a management information system was established in 2018, which is continuously being adapted and developed to the company's current challenges. In order to identify, monitor, and manage risks the company is exposed to, the management has had a finance and controlling system at its disposal since 2018, which provides all the necessary information. In terms of the internal control system, controls and processes were expanded during 2018 to adequately safeguard the company's assets. In this context, personnel capacities in the areas of accounting, controlling and law have been expanded by qualified staff.

Risks

The SSE is exposed to various risks in the ordinary course of its business. These risks are indicated in the table below. All risks can result in the depreciation of one or more assets or in recognition as provisions and to negative earnings development.

As financial risks have a direct impact on individual items on the balance sheet and income statement, these risks are explicitly discussed below. Staramba's company policy is to identify and limit these risks.

Presentation of the overall risk	
Risk areas	
Business risks	Cyclical risks, risks from the general competitive situation for SSE as well as its customers, growth risks
Operating risks	Personnel risks, risks from product innovation
Financial risks	Financing risks, exchange rate risks, interest rate risks, bad debt risks
Legal and regulatory risks	Risks arising from changes to the legal and regulatory framework as well as risks from legal disputes, licensing risks
Liquidity risks	Lack of available financing sources; capital increase decisions depend on the current price level of the share
Information and IT risks	Risks arising from the operation and design of IT systems, as well as risks relating to the confidentiality, availability, and integrity of data

Business risks

The business development of the SSE is fundamentally influenced by the general economic situation. The willingness of companies to invest depending on the economic situation and the willingness of consumers to spend their money has a long-term impact on the company's business development. The company addresses these macro-risks via flexible adaptation to customer needs and innovative products and services.

The Managing Director assumes a medium probability of occurrence and a minor impact on the net assets, financial position and results of operations with regard to business risks.

Operating risks

In particular, the recruitment and retention of qualified personnel can become an operational risk for the SSE. Failure to recruit qualified personnel could result in delays in completing extensive programming work and delaying product launches. The company strives to retain employees in the long-term via creating a pleasant working atmosphere in independently operating teams and by recruiting talented people on a permanent basis.

The Managing Director assumes a medium probability of occurrence and a medium impact on the net assets, financial position and results of operations with regard to operating risks.

Financial risks

The company does not yet generate sufficient available liquidity and therefore relies on financing from its own funds and outside funds. During the reporting period, the company covered its financing needs mainly through convertible bonds and capital increases. The risk mainly consists of dependence on access to the capital market and the conditions to be achieved for the respective financing instrument (including interest, collateral, and conversion options). The company counters these risks through active communication with respect to investor relations and via high levels of transparency, in order to sustainably strengthen the trust of current and potential shareholders in the company.

Currency risks exist particularly where receivables, liabilities, cash, and cash equivalents as well as planned transactions exist or will arise in a currency other than the local currency of the company. During the reporting period, the company has settled most of its sales in euros and was exposed to almost no exchange rate risks. Liabilities and receivables were recognised at the spot exchange rate. No hedging transactions have been concluded.

Interest rate risks can arise primarily from changes in market interest rates that lead to changes in expected cash flows. The loan liabilities to banks have been concluded with fixed interest rates and are therefore not subject to interest rate risks.

The company counters bad debt risks via its selection of business partners and by agreeing on down payments for larger transactions and pre-financing requirements. In the operating business of figurine sales, the risk of bad debts is additionally limited by the integration of established online payment systems. For other receivables, bad debt risk is limited by the selection of business partners and short maturities.

In the case of identifiable concerns regarding the recoverability of receivables, these receivables are immediately impaired or debited individually and the risks recognised in the income statement.

The Managing Director assumes a medium probability of occurrence and a high impact on the net assets, financial position and results of operations with regard to risks to the financial situation.

Legal and regulatory risks

The company acquires and concludes licensing agreements with business and advertising partners. As a result, there are risks associated with maintaining exclusivity agreements, extensions of expired contracts, and changes to remuneration arrangements and contract items that have a potentially significant negative impact on the company's business prospects. Staramba counters these risks through active contract management and proactive negotiations with contract partners during the contract period. The general legal risks are continuously monitored by the newly created internal legal department.

The Managing Director assumes a low probability of occurrence and a medium impact on the net assets, financial position and results of operations with regard to legal and regulatory risks.

Liquidity risks

The central risk of a start-up company is its liquidity risk. The SSE strives to provide sufficient funding, whether through capital-raising measures or short and long-term committed loans.

Due to the uncertainty surrounding the planning of operating revenues in the 2019 fiscal year, the company has prepared a plan scenario for risk estimation in which sales revenue is realised with a time delay of two quarters. In addition, planned inflows of token sales in the last quarter of 2018 of €2.0 million will first be taking place in 2019. In contrast, staff will only be recruited with a delay and thus personnel expenses will increase later. The same applies to the amount of material costs.

Taking into account these alternative planning assumptions, the liquidity gap would amount to approximately €6.4 million by September 2019. The company has taken the measures described below to close this potential financing gap of this alternative scenario.

It should also be noted that token sales are included in the planning as VAT-exempt sales. Whether this way of handling it is correct in terms of commercial and tax law has not been conclusively clarified. There is thus a risk for the planned earnings and liquidity situation (sales tax back payments) and uncertainty in the accounting approach to token sales as revenue. Alternatively, an ID could be considered as received prepayments, which only leads to revenue recognition at a later date.

If the token sales are not considered as VAT-exempt sales, there would be a significant outflow of liquidity.

The Managing Director assumes a medium probability of occurrence and a high impact on the net assets, financial position and results of operations with regard to liquidity risks.

Measures for hedging liquidity risks

The liquidity situation is strained at the reporting date, but the company can meet its due payment obligations. In 2018, the SSE received proceeds from already completed token sales of approximately $7.4 million, which cover the payment obligations until the end of 2018.

In addition, the company has initiated the following measures to sustainably improve the liquidity situation, which will also ensure compliance with current payment obligations should planned sales for 2019 be postponed by up to two quarters.

In November 2018, creditshelf AG announced its readiness to provide consultation with respect to refinancing of the loan taken out in 2018 and due on 28 March 2019 in the amount of €2,000k.

At the same time, the convertible bond of €3,500k, due for repayment or conversion on 23 March 2019 with the shareholder Hevella Capital GmbH & Co. KGaA was extended by a further twelve months until 23 March 2020.

In November 2018, the shareholder Hevella Capital GmbH & Co. KGaA also granted a financing commitment in the form of a convertible loan of up to €6,000k. Furthermore, the shareholder 11 Champions AG has pledged further financing in the amount of up to €500k. These convertible loans each have a term until 31 December 2020.

The Board of Directors is constantly reviewing other options for company financing. This may include further expenditure on convertible bonds or capital increases.

Furthermore, we refer to the comments on the commercial and tax risks of token sales in the *Liquidity risks* section.

Information and IT risks

Information and IT risks at Staramba are present in the form of inadequate protection against unauthorised access to data by third parties, improper use of data by employees or the failure of computer systems and networks. The company is countering these risks with comprehensive back-up procedures and regular security reviews of all important systems and applications. The hardware and software are also always kept up to date with the latest technology. Market-proven virus, access protection and encryption systems are used for data security and protection against data loss or theft.

The Managing Director assumes a low probability of occurrence and a medium impact on the net assets, financial position and results of operations with regard to information and IT risks.

Summary of the overall risk situation

Due to the tense liquidity situation at the time of reporting, the company took various measures to ensure solvency beyond the year 2018. If, contrary to the expectations of the

Managing Director, the corporate planning for 2019 cannot be achieved and the initiated and planned measures for hedging liquidity cannot be successfully implemented, the company's continued existence would be jeopardised.

Outlook

Preliminary note

In the reporting year, Staramba SE did not fulfil its own targets and forecasts. Nevertheless, the company expects its products – a revolutionary VR application, innovative 3D INSTAGRAPH® scanners, 3D avatars, 3D services and 3D merchandise figurines – to not only be fundamentally marketable and future-oriented in a market niche, but that in the future they will also generate a high demand from licensors and growing demand from consumers. The perceived growing interest in Staramba is currently based primarily on the company's expertise in the development of VR applications and 3D modelling, as well as on the 3D scanning technology it has developed for use in two scanners, 3D-INSTAGRAPH® Pro and INSTAGRAPH® Fusion.

The expectation is for the recently developed Staramba.Spaces to become a major social VR network of lifelike avatars over the next few years – a new virtual world where fans can interact with international stars of sports, music and entertainment. The experience makes use of Staramba's 3D database, "avatar.cloud", so that photorealistic avatars, which are not available on any other platform, and integration of social media channels are intended to make Staramba.Spaces into a unique VR experience. The management sees this project as having the largest future sales and profit potentials.

In November 2017, the release of its own BlockChain technology-based cryptocurrency (Staramba.Token) was announced and issued during 2018. In the future, the digital currency may be used as a means of payment both on the VR platform Staramba.Spaces for acquiring its own in-game currency, *materia1*, as well as by Staramba's business partners. Registration on a crypto exchange is also planned.

Via financial market communication, because of their stock market listing, the SSE has succeeded in being perceived as an expert and pioneer in the digital 3D and VR market. This reputation has been used by the SSE to extend its unique position by concluding important contracts for Staramba.Spaces and partnerships.

Forecast

In the current 2018 fiscal year, it became clear, on the one hand, that the VR market is not developing at the same speed as originally assumed. On the other hand, the necessary development work on the part of Staramba also requires a large amount of time and personnel. Thus, the short-term goal of a positive result in the current fiscal year has not come about. Staramba must continue to grow in 2018 to reach its goals. On the cost side, a tangible increase in personnel costs is to be expected for the fiscal years of 2018 and 2019, since realisation of the current projects will not be possible without significant personnel growth, especially in the areas of programming, software development and product development. The plan is for 2018 to have a net loss of around €8 million and an EBITDA of around €1.2 million. The operating cash flow is expected to reach around €8.5 million and revenue up to €13 million. This planned revenue almost exclusively includes token sales, of which cash inflows of approximately $7.4 million were reported as of the reporting date. For the risks in terms of accounting and the approach to (sales) tax and commercial law, we refer to the comments in the *Liquidity risks* section. The planned sales revenues of up to €13 million could therefore be significantly reduced or be absent in 2018, postponed to the following periods. The net loss for 2018 would increase accordingly.

At the same time, in the 2018 year to date, continuing to provide additional liquidity to finance the planned investments and development work remains a crucial challenge for Staramba. The company has introduced steps in the sections *Liquidity risks and measures for hedging liquidity risks* to ensure regular solvency by soliciting large shareholder financing commitments and extending loan and bond repayment obligations, and also to ensure solvency under the stress test scenario in 2018 and 2019.

G. Additional mandatory information according to § 289a HGB

Pursuant to § 289a HGB, the company has to report on certain structures subject to the law on stock corporations (AG) and other legal regulations in order to provide a better overview of the company and to disclose restrictions on potential takeover offers.

Shareholders directly/indirectly holding 10% or more of the voting rights

According to the knowledge of Staramba SE, Hevella Capital GmbH & Co. KGaA (formerly: Obotritia Beteiligungs GmbH), Potsdam, whose Managing Director is Mr Rolf Elgeti, and 11 CHAMPIONS AG, Rostock, the chairmanship of which was held by Mr Christian Daudert until December of 2017, each have more than 10% of the voting rights. Since 7 December 2017, Mr Christian Daudert, Rostock, holds 9.4% of the voting rights.

Shares with special rights or restrictions

To the knowledge of Staramba SE, there are no shares with special rights or restrictions on the exercise of voting rights.

Stock buyback

Pursuant to § 71 AktG, the company has no authorisation to repurchase its own shares.

Composition of the share capital

As of 31 December 2017, the share capital of the SSE consisted exclusively of no-par value shares. As of 31 December 2017, the number of shares was 2,332,755. On 15 March 2017, the company's Board of Directors also decided to increase the share capital from the authorised capital 2016/I by €150,000 from €2,112,000 to €2,262,000. Implementation of this capital increase was registered on 22 March 2017 in the commercial register of the district court of Charlottenburg.

On 15 March 2017, the company's Board of Directors also decided to issue a convertible bond with a total volume of €5,000,000.00 and a term of two years. The convertible bond is divided into 5,000 bearer bonds with a nominal value of €1,000.00 each. In September of 2017, Staramba SE announced the conversion of bonds (70,755 shares) by the American investor 3D SAFE Corporation. As a result, the share capital of SSE increased by 70,755 shares to a total of 2,332,755 shares. Implementation of this issuance of subscription shares in the course of the conversion was registered on 28 September 2017 in the commercial register of the district court of Charlottenburg.

Pursuant to §136 AktG, shareholders are not entitled to cast votes under certain conditions. We are not aware of any contractual restrictions relating to the voting rights or the transfer of shares.

Shares with special rights that confer powers of control

Shares with special rights conferring control powers are not provided for in the articles of incorporation.

Authorisation of the Board of Directors to issue shares

Authorised capital

By resolution of the annual general meeting on 28 July 2016, the Board of Directors was authorised to increase the company's share capital for a period of five years, calculated from the date of entry in the commercial register, by issuing new bearer shares against cash and/or contributions in kind by up to a total of €905,999.00 (Authorised Capital 2016/I). The authorisation may be used once or several times, either in whole or in part.

On 15 March 2017, the company's Board of Directors also decided to increase the share capital from the authorised capital 2016/I by €150,000 from €2,112,000 to €2,262,000. The right of existing shareholders to subscribe to these new shares was excluded. The new shares were subscribed by Obotritia Beteiligungs GmbH, which is controlled by the Board of Directors member Rolf Elgeti, and by the Board of Directors chairman Christian Daudert, at an issue price of €20 per share. Mr Daudert immediately sold his shares to an American investor. The new shares have been fully entitled to dividends since 1 January 2016. Implementation of this capital increase was registered on 22 March 2017 in the commercial register of the district court of Charlottenburg (HRB 158018 B).

Following the partial utilisation mentioned above, authorised capital 2016/I in the amount of €755,999 existed at the time of the 2017 annual general meeting. A resolution of the annual general meeting on 25 July 2017 affirmed cancellation of the existing authorised capital 2016/I and creation of a new authorised capital 2017/I.

By resolution of the annual general meeting on 25 July 2017, the Board of Directors was authorised to increase the company's share capital for a period of five years, calculated from the date of entry in the commercial register, by issuing new bearer shares against cash and/or contributions in kind by up to a total of €1,131,000.00 (Authorised Capital 2017/I). The authorisation may be used once or several times, either in whole or in part.

The new shares are to be offered to shareholders as a matter of principle. If their subscription right is not excluded, the right to take over shares held by banks or other entities fulfilling the requirements of §186 Para. (5) AktG may be exercised, provided that they are then offered to shareholders (indirect subscription right).

However, the Board of Directors is authorised to exclude shareholders' subscription rights

- for fractional amounts;
- in the case of capital increases against cash contributions, provided that the pro rata portion of the share capital attributable to the new shares for which the subscription right is excluded is no more than 10% of the share capital available at the time the resolution is adopted by the annual general meeting and the issue price of the new shares does not significantly undercut the price of the shares of the same type and conditions already listed at the time the final issue price is fixed by the board, pursuant to §§203 Para. 1 and 2, 186 Para. 3 Sentence 4 AktG. The 10% cap includes those shares that have already been issued or sold during the term of this authorisation in direct or analogous application of §186 Para. 3 Sentence 4 AktG under exclusion of subscription rights. Furthermore, shares to be used to service option and/or conversion rights or option and/or conversion obligations from convertible bonds and/or warrant bonds are to be included, provided that these bonds are excluded from the subscription right during the term of this authorisation, in the meaning of 186 Para. (3) Sentence 4 AktG;
- for capital increases in exchange for cash contributions, to grant shares for the purpose of acquiring companies, parts of companies or stakes in companies, or to acquire other assets (including third party claims against the company or companies affiliated with the company) associated with such a merger or acquisition;
- to the extent necessary in order to protect against dilution, to grant a subscription right to the holders or creditors of bonds with warrants and/or convertible bonds issued by the company or its subsidiaries within the scope of an authorisation granted to the Board of Directors by the annual general meeting, to the extent such would have been granted to them after exercising the option or conversion right or after fulfilment of the option or conversion obligations;
- for the servicing of option and/or conversion rights or option and/or conversion obligations arising from option and/or convertible bonds issued by the company;
- when cooperating with another company when such cooperation serves the interests of the company and the cooperating company requires an ownership interest in the company;
- in order to issue shares to members of the Board of Directors, the Managing Directors, and members of the management team, and employees of companies affiliated with the company. The new shares may also be issued to a bank or an equivalent institution provided they accept the obligation to pass them on exclusively to subsequent beneficiaries.

Contitional capital

The annual general meeting of 28 July 2016 conditionally increased the share capital of the company by up to €905,999.00 to be funded by issuing up to 905,999 new bearer shares (Conditional Capital 2016/I).

The conditional capital increase serves to grant shares upon exercise of option or conversion rights or upon fulfilment of option or conversion obligations to the holders of the option or convertible bonds issued by the company, or by a direct or indirect majority holding company on the basis of the authorisation granted by the annual general meeting on 28 July 2016. The shares are issued at the option or conversion price to be determined in accordance with the above authorisation.

The conditional capital increase will only be undertaken in the event of the issuance of warrant or convertible bonds and to the extent that the holders of warrant or convertible bonds Issued or guaranteed until 27 July 2021 by the company or its direct or indirect majority holding companies pursuant to the authorisation resolution of the annual general meeting on 28 July 2016, exercise their options or conversion rights or fulfil their option or conversion obligations and insofar as other forms of fulfilment are not implemented. The new shares issued as a result of the exercise of the option or conversion right or the fulfilment of the option or conversion obligation generally participate in the profit from the beginning of the fiscal year in which they are issued. If the profit distribution for a past fiscal year has not yet been decided, the start of the profit participation may also be applied to the beginning of that fiscal year.

The Board of Directors is authorised to establish the further details of the conditional capital increase.

The board is authorised to amend §5 Para. 1 and §6.2 Para. 1, Sentence 1 of the articles of incorporation when said conditional capital is used and to make any and all other related adjustments to the wording of the same. The same applies in the event that the Board of Directors opts not to exercise its authorisation to issue option or convertible bonds and the authorisation period has expired and in the event conditional capital 2016/I is not fully used after the expiry of the deadlines for the exercise of option or conversion rights or for the fulfilment of option or conversion obligations.

On 15 March 2017, the company's Board of Directors decided to issue a convertible bond with a total volume of €5,000,000.00 and a term of two years. The convertible bond is divided into 5,000 bearer bonds with a nominal value of €1,000.00 each. The annual interest rate is 6%. The convertible bonds may be converted by their holders into new Staramba SE shares. The conversion price has been set at €21.20 per share if bond holders opt to exercise their right of conversion. The convertible bonds were subscribed to Obotritia Beteiligungs GmbH, controlled by Board of Directors member Rolf Elgeti, and to the Board of Directors chairman, Christian Daudert. The convertible bond was issued in accordance with the resolution of the

Staramba SE annual general meeting dated 28 July 2016, excluding shareholders' subscription rights. The aforementioned conditional capital 2016/I of up to €905,999.00, approved by the annual general meeting, hedges these conversion rights. The convertible bond was listed on the Frankfurt Stock Exchange on 22 March 2017.

The annual general meeting of 25 July 2017 conditionally increased the share capital of the company by up to €75,000.00 to be funded by issuing up to 75,000 new bearer shares (Conditional Capital 2017/I). The 2017 conditional capital is for hedging subscription rights arising from stock options issued by Staramba SE under the 2017 stock option plan within the period from 25 July 2017 to 30 June 2022, on the basis of the authorisation of the Staramba SE annual general meeting on 25 July 2017.

The conditional capital increase will only be carried out to the extent that stock options are issued and the holders of these stock options exercise their subscription rights to shares of the company and the company does not grant treasury shares or cash settlement in fulfilment of the subscription rights. The issue of shares from conditional capital is undertaken at a fixed exercise price. The new shares generally participate in the profit from the beginning of the fiscal year in which they arise. If the profit distribution for a past fiscal year has not yet been decided, the start of the profit participation may also be applied to the beginning of that fiscal year.

The Board of Directors is authorised to establish the further details of the conditional capital increase.

The board is authorised to amend §5 Para. 1 as well as § 6.3 Para. 1, Sentence 1 of the articles of incorporation when said conditional capital is used and to make any and all other related adjustments to the wording of the same. The same applies in the case of non-utilisation of the authorisation to launch a 2017 stock option programme after expiration of the authorisation period and in the case of non-utilisation of conditional capital 2017/I after expiry of the periods for exercise of the subscription rights.

Statutory provisions and provisions in the articles of association for the appointment of Board of Directors members and Managing Directors and for amendments to the articles of association

Organs

The SSE's organs are the annual general meeting, the Board of Directors and the Managing Directors.

Board of Directors

The articles of association stipulate that the Board of Directors shall consist of five members elected by the annual general meeting. The Board of Directors members are elected for terms that conclude upon the adjournment of the annual general meeting that decides to discharge them of their liability for the fourth fiscal year following the beginning of their term of office. The year in which the term of office begins is not counted. The annual general meeting may elect members to shorter terms at its discretion. Board of Directors members may be elected more than once for the term described above.

In addition to electing the ordinary Board of Directors members, the annual general meeting may opt to elect Board of Directors members to replace one specific or several Board of Directors members. The replacement member joins the Board of Directors when the board member to be replaced leaves the Board of Directors before expiry of his or her term. If a replacement member is not elected at the next annual general meeting, the original replacement member's term of office is extended until the end of the departed member's original term. Elections of replacement members will apply for the rest of the term of the departing Board of Directors member.

Board of Directors members who have been elected by the annual general meeting without having been nominated by the board may be removed before the end of their term. This resolution requires three quarters of the votes cast in favour.

Any member or replacement member of the Board of Directors may resign from office by submitting a written declaration to the chairman of the board at least one month in advance of the effective date. No grounds need be named.

The Board of Directors is authorised by the articles of association to make solely formal amendments to the articles.

Managing Director(s)

The Board of Directors appoints one or more Managing Directors. Board of Directors members may be appointed Managing Directors, provided they do not thereby make up a majority of the board. Managing Directors may be removed at any time by the Board of Directors. However, a Managing Director who is also on the administrative board may only be removed for good cause.

Agreements with the Board of Directors in the event of a takeover bid

There are no agreements with the Board of Directors subject to a change of control as a result of a takeover bid. There are also no agreements with Board of Directors members, the Managing Director, or employees for settlements in the event of a takeover.

H. Declaration of the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the company's assets, financial position, and results of operations. The management report, including the results of operations, presents the company's situation in a true and fair manner as are the principal opportunities and risks associated with the expected development of the company.

Staramba SE

Berlin, 29 November 2018

The Managing Director

Christian Daudert

I. Amended financial statements of Staramba SE

Amended balance sheet pursuant to HGB as of 31 December 2017

ASSETS

A. Fixed assets

		Fiscal year	Previous year
	EUR	EUR	EUR
I. Intangible assets			
1. Paid concessions, industrial property rights and similar rights, as well as licenses in such Rights and values	1,526,587.00		2,105,530.00
2. Goodwill	21,158,211.00	22,684,798.00	75,015,326.00
II. Fixed assets			
1. Other equipment, operating and office equipment		362,770.00	160,415.10
III. Financial assets			
1. Investments		19,661.81	202,361.81
B. Current assets			
I. Inventories			
1. Raw materials, auxiliary and operating supplies	7,252.05		31,588.01
2. Job orders in progress	0.00		40,522.39
3. Advance payments	1,900.00	9,152.05	0.00
II. Receivables and other assets			
1. Accounts receivable trade	6,071,763.08		330,914.74
2. Receivables from companies with whom an investment relationship exists	0.00		467,615.06
3. Other assets	3,050,531.18	9,122,294.26	2,436,960.06
- thereof with a remaining term of more than one year EUR 35,837.22 (EUR 11,443.69)			
III. Cash in hand, Bundesbank deposits, deposits with credit institutions and cheques		257,617.51	13,964.99
C. Accrued and deferred items		137,054.73	122,258.45
		32,593,348.36	80,927,456.61

LIABILITIES	EUR	Fiscal year EUR	Previous year EUR
A. Equity			
I. Subscribed capital		2,332,755.00	2,112,000.00
II. Capital reserves		11,515,644.96	7,236,399.96
III. Profit brought forward		44,919,995.07	-845,505.40
IV. Annual loss		-43,776,325.68	45,765,500.47
B. Provisions			
1. Tax provisions	193,096.67		34,298.58
2. Other provisions	1,090,899.69	1,283,996.36	229,841.47
C. Liabilities			
1. Bonds	3,500,000.00		0.00
- thereof convertible EUR 3,500,000.00 (EUR 0.00) - thereof with a remaining term of more than one year EUR 3,500,000.00 (EUR 0.00)			
2. Liabilities owed to credit institutions	0.00		505,162.25
- thereof with a residual term of up to one year EUR 539,525.75 (EUR 505,162.25)			
3. Advance payments on orders received	728.66		76,329.50
- thereof with a residual term of up to one year EUR 728.66 (EUR 76.329.50)			
4. Trade accounts payable	446,472.67		731,638.74
- thereof with a residual term of up to one year EUR 446,472.67 (EUR 731,638.74)			
5. Other liabilities	6,292,221.21	10,239,422.54	2,328,083.41
- thereof from taxes EUR 1,241,251.64 (EUR 0.00) - thereof within the context of social security EUR 2,302.48 (EUR 35,852.44) - thereof with a residual term of up to one year EUR 5,822,171.21 (EUR 2,328,083.41) - thereof with a remaining term of more than one year EUR 470,050.00 (EUR 0.00)			
Deferred income		89,833.00	117,833.00
Deferred tax liabilities		5,988,027.11	22,635,874.63
		32,593,348.36	80,927,456.61

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Amended profit and loss accounting for the period of 1 January to 31 December 2017

	EUR	Fiscal year EUR	Previous year EUR
1. Sales revenues		12,048,751.55	2,052,628.12
2. Decrease and increase in inventories of finished and unfinished products		40,522.39	-331,607.61
3. Other internally generated assets		0.00	39,775.84
4. Other operating income - thereof income from currency conversion EUR 9,969.89 (EUR 10,113.76)		282,502.87	57,549,063.36
5. Cost of materials			
a) Cost of raw materials, supplies and purchased goods	227,830.27		472,036.20
b) Expenses for procured services	728.321.51 1,9	956,151.78	665,391.61
6. Personnel expenditure			
a) Wages and salaries	92,885.16		1,208,055.89
b) Social security contributions and expenses for pensions and other employee benefits - thereof for old-age care EUR 0.00 (EUR 160.00)	406,220.51	2,399,105.67	225,616.58
7. Write-downs			
a) on intangible assetsof thefixed assets and property, plant and equipment	59,082,216.72		11,854,153.68
b) on current assets as long as they exceed the usual write-downs for a stock corporation			
8. Other operating expenses	0.00	59,082,216.72	350,533.24
- thereof expenses from currency conversion EUR 2,921.75 (EUR 1,256.15)		9,767,796.49	1,870,514.59
9. other interest and similar income - thereof from affiliated companies EUR 0.00 (EUR 5,153.38) - thereof interest income from the discounting of provisions EUR 657.46 (EUR 0.00)		13,607.20	15,029.49
10. Interest and similar expenses		368,723.47	394,765.05
11. Taxes on income and earnings - thereof income from the allocation and release of deferred taxes EUR 16,647,847.52 (EUR 3,482,442.71)		-16,494,245.22	-3,482,442.11
12. **Profit after taxes**		-43,775,409.68	45,766,264.47
13. Other taxes		916.00	764.00
14. **Annual loss/surplus**		-43,776,325.68	45,765,500.47

Amended cash flow statement as of 31 December 2017

	EUR	Fiscal year EUR
Net profit for the period		-43,776,325.68
+ write-downs on fixed assets + increase in		59,082,216.72
provisions		866,254.31
- other non-cash income + decrease in		188.03
inventories		62,958.35
- Increase in trade receivables		
- Increase in other assets not attributable to		5,740,748.44
investment or financing activities		
- Decrease in trade payables		219,531.49
+ increase in other liabilities not		
attributable to investment or		300.704.29
financing activities		
-Gain on the disposal of fixed assets		2,224,360.13
+ loss from the disposal of fixed		
assets + interest expenses		8,445.67
- Income tax benefit		
+ income tax expense Income tax		104,920.45
expense/income corrected for non-cash		215,768.71
transactions +/- income tax payments		16,647,847.52
Cash flow from operating activities	16,494,245.22	153,602.30
- Payments for	-16,494,245.52	
investments in		
intangible assets		-0.30
		-3,983,710.45
+ proceeds from disposal of		
tangible fixed assets		
- Payments for investments in		4,545,976.15
tangible assets		
+ proceeds from disposal of		6,386.55
financial assets		
- Payments for investments in financial		313,240.57
assets		
+ deposits due to financial		194,541.67
investments in the context of short-		
term financial management		104,000.00
- Cash payments due to financial investments		
in the context of short-term financial		2,034,541.68
management		
Cash flow from investing activity		2,043,687.42
proceeds from equity contributions +		-4,771,434.24
proceeds from the issuance of bonds and the		
raising of (financial) loans		4,500,000.00
-Payments from the repayment of bonds and		
(financial) loans		7,004,959.20
- Interest paid		
Cash flow from financing activity		2,290,393.28
Cash changes in cash and cash equivalents		215,768.71
(total cash flows)		8,998,797.21
+ cash and cash equivalents at the beginning		
of the period		243,652.52
Cash and cash equivalents at the end of the		13,964.99
period		257,617.51

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Amended statement of changes in equity as of 31 December 2017

	Subscribed	Capital reserves	Earned capital	Total
	EUR	EUR	EUR	EUR
As of 01 Jan 2016	1,670,000.00	4,950,000.00	-845,505.40	5,774,495.60
issuance of shares	442,000.00	2,286,399.96		2,728,399.96
net profit for the period			45,765,500.47	45,765,500.47
Balance at 31 Dec 2016	2,112,000.00	7,236,399.96	44,919,995.07	54,268,395.03
Issuance of shares	220,755.00	4,279,245.00		4,500,000.00
Net profit for the period			-43,776,325.68	-43,776,325.68
Balance at 31 Dec 2017	2,332,755.00	11,515,644.96	1,143,669.39	14,992,069.35

Amended notes to the financial statements as of 31 December 2017

A. General information

Staramba SE (SSE) was created in August 2016 when its name was changed from Social Commerce Group SE (SCGSE).

Staramba SE is a company listed on the regulated, general standard market of the stock exchanges in Frankfurt and Berlin, and is organised as a Societas Europaea (SE) under European law with registered office at Aroser Allee 66, 13407 Berlin, 66, Germany (Commercial Register HRB 158018, Berlin-Charlottenburg regional court).

The company is a large corporation according to the rules of §267 Para. 3, Sentence 2 and §264d HGB. The amended financial statements have been prepared in accordance with the accounting provisions of Sections 242 et seq. and Sections 264 et seq. HGB and the supplementary provisions of the German Stock Corporation Act and Article 61 EU Regulation 2157/2001.

The income statement is prepared in accordance with § 275 Para. 1 HGB using the total cost method.

On 25 May 2018, the company received an adverse opinion as part of the financial statements for the year ended 31 December 2017. As a result, the following significant corrections that have been made to the annual financial statements, to their quantitative effects on presentation of the net assets, financial position and results of operations, and on the relevant items in the financial statements, are as follows:

- The revaluation of the goodwill resulting from the merger that took place in 2016 led to unscheduled write-downs of €42,316k with effects on the annual result and equity. As a result of this adjustment in goodwill, deferred tax liabilities were also adjusted from the difference between the goodwill recognised in the balance sheet at fair value and in the tax balance sheet at book value. This resulted in additional income from the reversal of deferred tax liabilities of approximately €12,695k.
- The revaluation of intangible assets acquired in the 2017 fiscal year resulted in unscheduled write-downs of €3,141k and costs immediately recognised as expenses of €4,300k.
- The revaluation of sales transactions in the 2017 fiscal year led to an adjustment of the sales revenues in the amount of €4,344k, with effects on the annual result and equity.
- The revaluation of a trade receivable as of 31 December 2017 resulted in the recognition of a specific valuation allowance of €2,096k with effects on the annual result and equity.
- The creation of a provision for litigation cost risks resulted in expenses of €685k, which impacted the annual result and equity.

The accounting and valuation methods applied correspond to those applied in the previous year.

Despite the tense liquidity situation, the accounting and valuation has been undertaken at the time of preparation of the amended annual financial statements assuming the continuation of the business (§ 252 Para. 1 no. 2 HGB). Due to the tense liquidity situation at the time of reporting, the company took various measures to ensure solvency beyond the year 2018. If, contrary to the expectations of the Managing Director, the corporate planning for 2019 cannot be achieved and the initiated and planned measures for hedging liquidity cannot be successfully implemented, the company's continued existence would be jeopardised. For details of the measures taken, please refer to the comments on the events after the balance sheet date under point E. Other information 12.

B. Explanation of the accounting and valuation methods

1. Fixed assets

Intangible assets were valued at acquisition costs less scheduled straight-line write-downs. Unscheduled write-downs were undertaken to the extent necessary for the value adjustments. If the assets are indefinitely usable, no scheduled write-downs are recognised.

The utilisation of the goodwill arising in the course of the merger in 2016 involves a number of different factors, which are detrimental to a degree. This also mainly results from various license agreements, limited in duration, and to technical expertise. The technical expertise related to the mobile 3D scanner and the 3D INSTRAGRAPH® creates opportunities for the future-orientated digitalisation of people and objects. It is therefore essential for overcoming initial barriers to market entry and the long-term development of the overall business. The 3D INSTAGRAPH® is expected to have a useful life of five years. This useful life makes up 50% of the goodwill. The remaining 50% is made up of licensing agreements with the world of sport and music as well as the associated opportunities for long-term partnerships with associations, clubs, and individual players. Licensing agreements with footballers and clubs play a special role. When acquiring such licenses, often it is not only the associations, but also the individual players who need to be convinced of the business concept. Since Staramba SE's licences involve personal 3D data, a licensing agreement also requires a level of trust that this sensitive data will not be easily misused. Given the amount of effort that goes into signing these licensing deals, long-term partnerships with football and footballers are not uncommon. For example, the EA Sports and Panini partnerships with FIFA are twenty years each. The useful life of these licensing agreements, which are also valued at 50%, therefore extends beyond the current expiry date and must be valued for over 10 years. The useful life of the goodwill is derived from the above-mentioned circumstances, so that the scheduled write-down is based on a useful life of 7.5 years.

Due to the significantly reduced sales forecast for the Scanner & 3D division compared to the original planning, this goodwill is subject to a valuation adjustment. The goodwill underwent an unscheduled write-down as of 31 December 2017 in the amount of €42,316k.

Tangible assets were valued at acquisition cost. The assets were written down using the straight-line method over their normal useful life.

Low-value assets acquired for a cost of less than €410.00 were fully written down in the reporting year.

The following useful lives are employed for the individual asset groups:

Balance sheet items (asset groups)		Useful lives
	Intangible assets	
1.	Paid concessions, industrial property rights and similar rights and assets, as well as licences to such rights and assets	1 to 15 years (unlimited)
2.	Goodwill	7.5 years
	Tangible assets	
	Other equipment, factory and office equipment	1 to 13 years

Financial assets include investments in companies in which the company holds an interest. They were valued at cost of acquisition. No value adjustment was required as of the balance sheet date.

2. Current assets

The inventories include the materials needed for scanner construction and customer projects for scanner production. They are valued at acquisition or production cost or at their lower fair value. The raw materials, consumables and supplies are valued at cost. Unfinished and finished goods are valued according to manufacturing costs. Manufacturing costs include material costs, production costs as well as relevant parts of material and production overheads. The option to include general administrative costs has not been exercised. Interests on borrowed capital are not included in manufacturing costs. Receivables are recognised at their nominal value.

Trade receivables and other assets were posted at their nominal values. Specific value adjustments were made to the extent required. Individual value adjustments from previous years were reduced by €125k. In addition, a specific allowance for a receivable amounting to €2,096k was formed. There was no need to make any general value adjustments. Any receivables held in foreign currencies were valued at the spot exchange rate.

Cash and cash equivalents were stated at nominal value.

Prepayments and deferred income are recognised for expenses or receipts prior to the reporting date that result in expenses or income in a certain period after the balance sheet date and are attributable to subsequent fiscal years. These are essentially expenditures related to existing licensing agreements.

3. Equity

Subscribed capital is stated at nominal value.

4. Provisions and liabilities

Provisions have been set up for all identifiable risks and conditional liabilities, in each case at an amount that represents a reasonable fulfilment value (§253 Para. 1 Clause 2 HGB).

Provisions with a remaining term of more than one year are discounted with the remaining term corresponding to the average market interest rate of the past seven fiscal years as determined by the German Central Bank for objectification reasons (§ 253 Para. 2 s. 1 HGB). Cost increases are taken into account when determining the settlement value. The option to discount provisions with a residual maturity of less than one year has not been exercised.

The liabilities were posted at their settlement value.

Transactions in foreign currencies were either posted at the current exchange rate or at the exchange rates contractually agreed. The currency conversion on the balance sheet date is carried out in accordance with § 256a HGB at the spot exchange rate.

To determine deferred taxes resulting from temporary or semi-permanent differences between the commercial values of assets, liabilities and prepaid expenses and their tax bases, these are measured with the individual company tax rates at the time of reduction of differences, and the amounts of the resulting tax burden and relief not discounted.

For deferred taxes in the case of the merger in the 2016 fiscal year, deferred tax assets and tax liabilities are not borne by the transferring legal entity, but must be re-examined and recognised accordingly. As the assets and liabilities assumed were measured at fair value, the deferred taxes related to hidden reserves are hidden. They therefore represent acquisition costs since they must be posted. The deferred taxes on the acquired business value are inseparably linked and must therefore be capitalised as the costs to acquire this goodwill.

The assets acquired in the merger in 2016 were measured at fair value on the basis of an appraisal that determined the income value after income taxes. The deferred tax liabilities included in the resulting goodwill of €60,400k after income taxes were uncovered, taking into account the company-specific tax rates for corporation tax and trade tax in the amount of €26,118k. The goodwill was then capitalised at the value including the related deferred taxes in the amount of €86,560k.

C. Notes on the balance sheet

1. Fixed assets

The development of the fixed assets as well as the acquisition costs of the individual items are shown in the following table.

Intangible assets amount to €22,685k (previous year: €77,120k). They essentially arise from the goodwill resulting from the merger in 2016 at fair value. €26,118k in deferred tax liabilities on the business value after income taxes was posted. In the course of the unscheduled write-down on this goodwill as at 31 December 2017, the deferred tax liabilities were released accordingly. In October 2016, the company sold the part of the 3D printing factory acquired in the course of the merger. A partial disposal of the goodwill, which may have been justified in this case, was not considered as of 31 Dec 2016. With the unscheduled write-down on the determined goodwill as of 31 Dec 2017, the correction was made in current account.

Property, plant and equipment amount to €363k (previous year: €160k) and contain the operating and office equipment.

The €20k in financial assets (previous year: €202k) includes shares in companies with which an investment relationship exists as well as other companies comprising the following shareholdings (list of shareholdings pursuant to §285 no. 11 HGB):

Holding	Domicile	Share	Share capital 31 Dec 2017 (previous year)	Equity*	Result of the most recent fiscal year*
	Berlin	48.00%	€25k	€-104.3k	€-7.75k
Social VR GmbH, Berlin HRB13777			(€25k)	(€-96.5k)	(€- 5.6k)

*Entries as per the company's latest annual financial statements as of 31 December, 2016

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Development of fixed assets in financial year 2017

	Acquisition and production costs 01.01.2017	Correction from merger 01.01.2017	Additions	Disposals	Acquisition and production costs 31.12.2017	Depreciation 01.01.2017	Correction Accrued depreciation 01.01.2017	Depreciation fiscal year	Additions	Disposals	Accrued Depreciation 31.12.2017	Book Values 31.12.2017	Book Values 31.12.2016
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
A. Fixed Assets													
I. Intangible assets													
1. Concessions acquired against payment, industrial property rights and similar Rights and assets, as well as licenses in such rights and assets	2.403.667,25	-57.004,00	4.545.976,15	4.075,00	6.888.564,40	298.137,25	-57.004,00	5.121.523,15	0,00	679,00	5.361.977,40	**1.526.587,00**	2.105.530,00
2. Goodwill/business value	86.556.146,94		0,00	0,00	86.556.146,94	11.540.820,94		53.857.115,00	0,00	0,00	65.397.935,94	**21.158.211,00**	75.015.326,00
Sum Intangible assets	**88.959.814,19**	**-57.004,00**	**4.545.976,15**	**4.075,00**	**93.444.711,34**	**11.838.958,19**	**-57.004,00**	**58.978.638,15**	**0,00**	**679,00**	**70.759.913,34**	**22.684.798,00**	77.120.856,00
II. Tangible assets													
1. other assets, operating, and business equipment	309.920,33	-102.365,00	313.240,57	7.971,20	512.824,70	149.505,33	-102.365,00	103.578,57	0,00	664,20	150.054,70	**362.770,00**	160.415,00
Sum Tangible assets	**309.920,33**	**-102.365,00**	**313.240,57**	**7.971,20**	**512.824,70**	**149.505,33**	**-102.365,00**	**103.578,57**	**0,00**	**664,20**	**150.054,70**	**362.770,00**	160.415,00
III. Financial assets													
1. Investments	202.361,81		5.100.000,00	5.282.700,00	19.661,81	0,00		0,00	0,00	0,00	0,00	**19.661,81**	202.362,00
Sum Financial Assets	202.361,81		5.100.000,00	5.282.700,00	19.661,81	0,00		0,00	0,00	0,00	0,00	**19.661,81**	202.362,00
Sum Fixed Assets	**89.472.096,33**	**-159.369,00**	**9.959.216,72**	**5.294.746,20**	**93.977.197,85**	**11.988.463,52**	**-159.369,00**	**59.082.216,72**	**0,00**	**1.343,20**	**70.909.968,04**	**23.067.229,81**	77.483.633,00

2. Receivables and other assets

Receivables and other assets are due within one year, with the exception of the deposits amounting to €36k (previous year: €11k).

There are no receivables from companies with which an investment relationship exists (previous year: €468k).

Receivables within the meaning of section 285 no. 9c HGB exist on the reporting date in the amount of €39k (previous year: €21k). These bear interest at 2% p.a. The interest for the reporting year amounts to €0.6k.

3. Credit balances with banks and cash on hand

Bank balances amount to €258k (previous year: €14k).

4. Equity

4.1 Subscribed capital (§ 160 Para. 1 no. 3 AktG)

The company's fully paid-in share capital is divided into 2,332,755 no-par-value shares (31 Dec 2016: 2,112,000), which are bearer shares, and amount to €2,332,755 as of 31 December 2017 (31 December 2016: €2,112,000).

By resolution of the annual general meeting on 28 July 2016, the share capital was increased by up to €905,599 (authorised capital 2016/1). The increase in share capital resolved by the Board of Directors on 15 March 2017 was carried out by issuing 150,000 no-par-value shares in the amount of €150,000. The articles of association were amended by resolution of the Board of Directors authorised to do so on 15 March 2017. The capital increase was registered in the commercial register on 21 March 2017.

By resolution of the annual general meeting on 28 July 2016, the share capital was increased by up to €905,599 (conditional capital 2016/1). The increase in share capital resolved by the Board of Directors on 26 September 2017 was carried out by issuing 70,755 no-par value shares in the amount of €70,755. The articles of association were amended by resolution of the Board of Directors authorised to do so on 26 September 2017. The capital increase was entered in the commercial register on 16 October 2017.

4.2 Authorised capital (§160 Para. 1 no. 4 AktG)

Authorised capital 2016/I

The Staramba SE annual general meeting of 28 July 2016 resolved to authorise the Board of Directors to increase the company's share capital for a period of five years, calculated from the date of entry in the commercial register, by issuing new bearer shares against cash and/or contributions in kind by up to a total of €905,999.00 (authorised capital 2016/I) and, at the same time, to cancel the existing capital authorisation. The Board of Directors was authorised to exclude certain shareholders from the right to subscribe, so that an agreement on subscription rights pursuant to §30b Para. (1) Sentence 1 no. 2 WpHG (German Securities Trading Act). The authorisation may be used once or several times, either in whole or in part.

Exercising this authorisation on 15 March 2017, the Board of Directors resolved to increase the share capital by €150,000 in return for a cash contribution. In the first fiscal year, 150,000 shares were subscribed on the basis of the authorised capital increase (authorised capital) 2016/I (§ 160 Para. 1 no. 3 AktG).

The authorised capital 2016/I was entered into the commercial register on 18 August 2016. After partial utilisation of the authorised capital 2016/I in the first half of 2017, the remaining authorised capital 2016/I in the amount of €755,999 was cancelled. The cancellation was registered on 8 August 2017.

Authorised capital 2017/I

The Staramba SE annual general meeting of 25 July 2017 resolved to authorise the Board of Directors to increase the company's share capital for a period of five years, calculated from the date of entry in the commercial register, by issuing new bearer shares against cash and/or contributions in kind by up to a total of €1,131,000.00 (authorised capital 2017 /I) and, at the same time, to cancel the existing capital authorisation. The Board of Directors was authorised to exclude shareholders' subscription rights in certain cases. This agreement was published in the Federal Gazette in accordance with § 30b Para. 1 Sentence 1 no. 2 WpHG.

The authorisation may be used once or several times, either in whole or in part.

During the fiscal year, no shares were subscribed due to the authorised increase in capital (authorised capital 2017/I) (§160 Para. 1 no. 3 AktG).

Shareholders must be granted subscription rights with the following restrictions. However, the Board of Directors is authorised to exclude shareholders' subscription rights

- for fractional amounts;
- in the case of capital increases against cash contributions, provided that the pro rata portion of the share capital attributable to the new shares for which the subscription right is excluded is no more than 10% of the share capital available at the time the resolution is adopted by the annual general meeting and the issue price of the new shares does not significantly undercut the price of the shares of the same type and conditions already listed at the time the final issue price is fixed by the board, pursuant to §§203 Para. 1 and 2, 186 Para. 3 Sentence 4 AktG. The 10% cap includes those shares that have already been issued or sold during the term of this authorisation in direct or analogous application of §186 Para. 3 Sentence 4 AktG under exclusion of subscription rights. Furthermore, shares to be used to service option and/or conversion rights or option and/or conversion obligations from convertible bonds and/or warrant bonds are to be included, provided that these bonds are excluded from the subscription right during the term of this authorisation, in the meaning of 186 Para. (3) Sentence 4 AktG;
- for capital increases in exchange for cash contributions, to grant shares for the purpose of acquiring companies, parts of companies or stakes in companies, or to

acquire other assets (including third party claims against the company or companies affiliated with the company) associated with such a merger or acquisition;

- to the extent necessary in order to protect against dilution, to grant a subscription right to the holders or creditors of bonds with warrants and/or convertible bonds issued by the company or its subsidiaries within the scope of an authorisation granted to the Board of Directors by the annual general meeting, to the extent such would have been granted to them after exercising the option or conversion right or after fulfilment of the option or conversion obligations;
- for the servicing of option and/or conversion rights or option and/or conversion obligations arising from option and/or convertible bonds issued by the company;
- when cooperating with another company when such cooperation serves the interests of the company and the cooperating company requires an ownership interest in the company;
- in order to issue shares to members of the Board of Directors, the Managing Directors, and members of the management team, and employees of companies affiliated with the company. The new shares may also be issued to a bank or an equivalent institution provided they accept the obligation to pass them on exclusively to subsequent beneficiaries.

The Board of Directors is authorised to establish further terms and conditions for the issuing of shares, including the issue amount, as well as the content of the share rights when executing the capital increases from authorised capital 2017/I. If the profit distribution for a past fiscal year has not yet been decided, the start of the profit participation may also be applied to the beginning of that fiscal year.

The Board of Directors is also authorised to amend the articles of incorporation after partial and/or complete implementation of the capital increase from authorised capital 2017/I or after expiry of the authorisation to correspond to the extent to which authorised capital 2017/I was utilised.

The authorised capital 2017/I was entered into the commercial register on 08 August 2017. The authorised capital 2017/I amounts to €1,131,000.00 as of the reporting date.

5.3 Conditional capital (§152 Para.1 AktG)

Conditional capital 2016/1

By resolution of the annual general meeting on 28 July 2016, the company's share capital was conditionally increased by €905,599 (conditional capital 2016/I).

The conditional capital 2016/I was entered into the commercial register on 18 August 2016.

On 12, October 2017, the share capital was increased by €70,755 by issuing 70,755 shares. The background of this was the conversion of the convertible bond by 3D Safe Corp. The articles of association were amended by the authorised Board of Directors by resolution of 26 September 2017. The capital increase was entered in the commercial register on 16 October 2017. In the second half of the fiscal year, 70,755 shares were subscribed for as a result of the conditional capital increase (conditional capital 2016/I).

After partial utilisation, conditional capital 2016/1 amounts to €835,244.00 at the reporting date.

Conditional capital 2017/1

In addition, the Staramba SE annual general meeting of 25 July 2017 resolved to conditionally increase the company's share capital by up to €75,000.00 by issuing up to 75,000 new no-par-value bearer shares (conditional capital 2017/I).

The continent capital increase serves to secure subscription rights from stock options based on the authorisation granted by the annual general meeting on 25 July 2017 under the 2017 stock option plan in the period from 25 July 2017 to 30 June 2022.

The conditional capital increase will only be carried out to the extent that stock options are issued and the holders of these stock options exercise their subscription rights to shares of the company and the company does not grant treasury shares or cash settlement in fulfilment of the subscription rights.

Issuance of the shares from conditional capital will take place at the exercise price set out in item 9 of the 5 July 2017 annual general meeting agenda. The new shares generally participate in the profit from the beginning of the fiscal year in which they arise. If the profit distribution for a past fiscal year has not yet been decided, the start of the profit participation may also be applied to the beginning of that fiscal year.

The Board of Directors is authorised to establish the further details of the conditional capital increase.

The board is authorised to amend §5 Para. 1 as well as § 6.3 Para. 1, Sentence 1 of the articles of incorporation when said conditional capital is used and to make any and all other related adjustments to the wording of the same. The same applies in the case of non-utilisation of the authorisation to launch a 2017 stock option programme after expiration of the authorisation period and in the case of non-utilisation of conditional capital 2017/I after expiry of the periods for exercise of the subscription rights.

The conditional capital 2017/I was entered in the commercial register on 16 October 2017. Conditional capital 2017/1 was not utilised. It amounts to €75,000.00 at the reporting date.

4.4 Capital reserves (§ 152 Para. 2 AktG).

€4,279k was allocated to the capital reserve in the fiscal year.

Additional reserves created by the difference between the market values of the new shares issued during the capital increase and their nominal values were also created.

4.5 Profit carried forward (§ 268 Para. 1 s. 2 HGB)

The net profit for the year ended 31 December 2016 has been included in the profit carried forward in full (€45,765k). As of the reporting date, the profit carried forward amounts to €44,920k.

4.6 Proposed appropriation of profits (§ 285 no. 34 HGB)

The Managing Directors propose to balance the annual result for the 2017 fiscal year with the existing profit carry forwards.

5. Provisions

The tax provisions include the VAT amounts included in trade receivables, recognised as liabilities in the amount of €40k (previous year: €34k). The company taxed the fees for taxable services on the basis of an authorisation granted on 13 October 2014 pursuant to § 20 Para. 1 UStG upon collection of the fees. This authorisation expired on 31 December 2016 because the statutory revenue threshold of €500k had been exceeded. The approved taxation continues to apply for the receivables arising before this reporting date.

The tax provisions also include provisions for trade tax of €154k in 2016.

Other provisions amount to €1,090k (previous year: €230k) and developed as follows:

In €thousands	**Status 01 Jan 2017**	**Consumption**	**Liquidation**	**Supply**	**Status 31 Dec 2017**
Description					
Other provisions	80	58	0	771	793
Acquisition costs	104	104	0	169	169
Personnel costs	8	8	0	85	85
Archiving obligations	38	0	0	5*	43
Amount	**230**	**170**	**0**	**1,030**	**1,090**

*) includes €1k from the change in discounting.

Other provisions include €685k for litigation cost risks.

6. Liabilities

The bonds reported as at the reporting date relate to convertible bonds. For further information, please refer to the explanations under E. Other information no. 5 Subscription rights.

There were no liabilities to banks (previous year: €505k) as of the reporting date.

Other liabilities include liabilities to shareholders in the amount of €3,505k.

Other liabilities include those with a residual term of more than one year and less than five years in the amount of €471k. The other liabilities are due within one year.

7. Deferred tax liabilities

Deferred tax liabilities result from the difference between the goodwill recognised at fair value in the balance sheet and the book value in the tax balance sheet from the merger of Staramba SE and Staramba GmbH in 2016. The calculation was based on a tax rate of 30.18%. Income from the release of deferred tax liabilities results from the reduction in goodwill due to scheduled and unscheduled write-downs as at 31 December 2017.

The development of deferred tax liabilities (section 285 no. 30 HGB) is as follows:

01.01. Thousand EURO	**Entry** Thousand EURO	**Consumption** Thousand EURO	**Liquidation** Thousand EURO	**31.12.** Thousand EURO
22,636	0	0	16,648	5,988

D. Notes on the income statement

Revenue of €12,048k (previous year: €2,053k) results in the amount of €6,480k from the delivery of software, €350k from the delivery of scanners and €4,355k from services for 3D modelling. The remaining amounts result from the delivery of 3D figurines, 3D printing services, user fees and data sales.

Sales revenues are broken down geographically as follows:

	Fiscal year	**Previous year**
	Thousand EURO	Thousand EURO
USA	4,304	0
Domestic	7,745	2,053
	12,049	**2,053**

Other operating income includes income from other periods relating to the reduction of individual value adjustments on trade receivables and written-down loan receivables in the amount of €204k.

Personnel expenses include wages and salaries in the amount of €1,836k (previous year: €1,076k) as well as fees for the remuneration of management services in the amount of €157k (previous year: €132k). In addition, social expenses amounted to €406k (previous year: €226k).

An unscheduled write-down in the amount of €42,316k was undertaken on the goodwill resulting from the merger of Staramba GmbH in 2016. In addition, due to technical obsolescence and the lack of future usability of software and database modules, unscheduled write-downs of intangible assets amounted to €3,142k.

Other operating expenses include exceptional expenses from the acquisition of licenses from Staramba USA in the amount of €4,300k, which had to be recognised immediately as expenses, since the fair value of approximately only €795k had to be recognised and capitalised, and also completely written down.

Interest and similar expenses include interest to shareholders in the amount of €216k (previous year: €1k).

In addition to the above-mentioned write-down losses on goodwill and other intangible assets, income from the release of deferred tax liabilities in connection with goodwill of €12,695k is of an exceptional magnitude.

E. Other disclosures

1. Other financial obligations

The other financial obligations, together with their maturities, are shown in the table below.

In EUR thousands	**up to 1 year**	**2 to 5 years**	**5+ years**	**Total**
Rental obligations	354	641	0	995
Licensing agreements	317	160	0	477
Vehicle leases/rentals	20	18	0	37
Total	691	891	0	1,509

In addition, various licensing agreements contain indefinite payment obligations dependent on the respective sales.

2. Information on the cash flow statement

The cash flow statement was not prepared in accordance with the DRSC recommendation pursuant to DRS 21.

The interest paid in the fiscal year amounts to €216k (previous year: €343k) and the interest received to €13k (previous year: €0).

The financial resources are defined as the means of payment/cash, and equivalents of means of payment/cash equivalents. Means of payment is defined as cash and demand deposits. Equivalents of means of payment/cash equivalents are short-term, highly liquid financial assets that can be converted into cash at any time and that are only subject to insignificant fluctuations in value. As a result, cash equivalents at the acquisition date may only have a residual maturity of three months or less. In addition, liabilities due to banks as well as other short-term borrowings, which are part of the liquid assets, must be included in the cash and cash equivalents and must be settled.

3. Information on the equity capital level

The statement of changes in equity was not prepared in accordance with the recommendation of the DRSC pursuant to DRS 22.

The profit carried forward less the net loss for the year is available in full extent to the company in the form of earned equity.

4. Employees

The average number of employees in the fiscal year was 55 (previous year: 31.25).

5. Subscription rights (§ 285 No. 15a HGB and § 160 Para. 1 no. 5 AktG)

A convertible bond was issued in the fiscal year. The bond has a total volume of €5,000k and a term of two years. The convertible bond is divided into 5,000 bearer bonds with a nominal value of €1k each. The annual interest rate is 6%. The convertible bonds may be converted by their holders into new Staramba SE shares. The conversion price has been set at €21.20 per share if bond holders opt to exercise their right of conversion. The convertible bonds were subscribed to Obotritia Beteiligungs GmbH, controlled by Board of Directors member Rolf Elgeti, and to the Board of Directors chairman, Christian Daudert. In the fiscal year, convertible bonds in the amount of €1,500k were converted into 70,755 shares. As at the reporting date, the company still has convertible bonds outstanding in the amount of €3,500k. The convertible bond was listed on the Frankfurt Stock Exchange on 22 March 2017.

6. Information concerning members of the Board of Directors and the management (§ 285 no. 10 HGB)

The company opts for the so-called monistic or single-tier management system pursuant to Article 38 lit b) SeVO.

The Board of Directors consists of the following people:

1. Mr Christian Daudert, Asset Manager, Rostock (Chairman)
2. Prof. Dr. Klemens Skibicki, University Teacher, Cologne (Deputy Chairman)
3. Ms Marthe Wolbring, PR Consultant, Berlin
4. Mr Rolf Elgeti, Businessman, Potsdam
5. Mr Marc Kneifel, Managing Partner of SkyVention GmbH, Berlin
6. Mr Julian von Hassell, Business Consultant, Hamburg (until 28 July 2017)

The company is represented by its Managing Directors:

1. Mr Christian Daudert, Asset Manager, Rostock (Chairman of the Management Board)
2. Mr Julian von Hassell, Business Consultant, Hamburg (until 28 July 2017)
3. Mr Frederic Cremer, Game Producer, Berlin (from 01 December 2017 to 27 April 2018)

Mr Christian Daudert was a member of the following supervisory boards and other supervisory committees during the reporting period:

- Supervisory board of MXM Mixed Reality Marketing AG (until December 2017)

Mr Rolf Elgeti was a member of the following supervisory boards and other supervisory committees during the reporting period:

- Chairman of the Supervisory Board of TAG Immobilien AG (since November 2014)
- Chairman of the supervisory board of Fair Value REIT-AG (until 30 November 2017)
- Chairman of the supervisory board of 1801 Deutsche Leibrenten AG (since July 2015)
- Chairman of the supervisory board of creditshelf (since June 2018)
- Member of advisory board of Laurus Property Partners (since July 2016)

7. Board remuneration (§ 285 no. 9a HGB)

The total remuneration of the Managing Directors of SSE in the 2017 fiscal year amounts to €157k (previous year: €99k).

This remuneration is broken down as follows:

Name	Julian von Hassell	Christian Daudert	Frederic Cremer	Total
Role		Managing Director		
Non-performance-related remuneration in €thousands	51	96	10	157
Performance-related remuneration	0	0	0	0
Components with long-term incentive effect	0	0	0	0
Sums	**51**	**96**	**10**	**157**

Managing Director Jullian von Hassell also had a company car. The monthly costs for this company car amount to €1k and they are already included in the above-mentioned remuneration.

8. Declaration on the German Corporate Governance Code (Section 285 no. 16 HGB)

The Board of Directors of Staramba SE has issued the declaration of compliance with the German Corporate Governance Code required by § 161 AktG and made it permanently available to the shareholders on the company's website (https://company.staramba.com/about/investors/corporate-governance).

9. Establishment of an audit committee (§ 324 Para. 1 S.2 no. 1 HGB)

In the absence of an expert in the areas of accounting and auditing pursuant to § 100 Para. 5 AktG, the SSE has no audit committee pursuant to § 324 Para. 1 HGB.

10. Auditor fees (§ 285 no. 17 HGB)

The total fee of the auditor calculated for the fiscal year amounts to

	Thousand EURO
Audit services	120
Other confirmation services	0
Tax consultation services	0
Other services	0
	120

11. Information on transactions with related people and companies (§ 285 no. 21 HGB)

Legal persons and natural persons are considered to be "related" in particular in cases in which they (1) are subject to joint control, (2) one of the parties has the ability to control the other party, (3) one of the parties has a significant influence on the other party or (4) can influence the other party as a result of joint management. Determining the relationship between the parties is not only a formally legal, but also an economic consideration. In addition, persons who hold a key position in the management or supervisory body of the reporting entity are considered "related" to that entity. For a *Societas Europaea* (SE), these generally include the Managing Directors and the members of the Board of Directors

During the reporting period, SSE maintained significant business relationships with related parties in the course of its operating activities.

I. Business transactions with persons holding a key position in SSE management

SSE has acquired shares in Staramba USA Corp. for a purchase price of €3,600,000 from a person who holds a key position in the management of the company.

SSE has a receivable in the amount of €41,779 from a person who holds a key position in the management of the company, which amounts to €38,947 at the end of the reporting period.

In the year under review, SSE paid €63,259 for people holding a key position in SSE management who received remuneration in a separate employment relationship not linked to the mandate activity.

In addition, people holding a key position in the SSE management provided SSE services on an independent basis, for which SSE paid a total of €75,326.

II. Business transactions with subsidiaries

SSE acquired assets from a former subsidiary with a purchase agreement dated 15 June 2017 for a purchase price of €5,100,000.

SSE has repaid loan liabilities of a former subsidiary to an associated company in the amount of EUR 1,390,000.

The liabilities of SSE for services provided by a former subsidiary amounted to €77,350.

SSE granted loans to a former subsidiary amounting to €151,500. Loan receivables were fully written down as of the balance sheet date.

In addition, a relationship with a former subsidiary resulted in service relationships amounting to €15,975 in the period under review.

III. Business transactions with associated companies

SSE has acquired shares in 3D SAFE Corp. from an associated company at a purchase price of €1,840,000.

During the reporting period, the SSE received loans from an associated company totalling approximately €3,504,959, which were valued at the same amount at the end of the reporting period.

In addition, there were service relationships with an associated company amounting to €100,182 during the reporting period.

IV. Business transactions with companies controlled by a key person in SSE management

The SSE received a loan of €470,050 from a company controlled by a key person in SSE management.

The SSE received €3,600,000 in loans from a company controlled by a key person in SSE management. This loan liability was fully repaid during the reporting period.

The SSE also issued a convertible bond in the amount of €5,000,000, which was subscribed in full by a company controlled by a key person in the management of SSE and was valued at €3,500,000 in the reporting period.

In 2016, SSE received a €500,000 loan from a third-party company. It was hereby contractually agreed that the repayment should be made to a company controlled by a key person in the management of the SSE. The loan was completely repaid by SSE in the reporting period.

SSE also used services provided by a key person in the management of the SSE, for which a fee of €40,514 was paid.

Furthermore, there was a liability (license fee) of €71,162 towards a company controlled by a key person in the management of SSE, which had not yet been settled by SSE at the balance sheet date.

V. Other business transactions

Other transactions (in particular reimbursement of costs and expenses) amounting to €19,370 were concluded between SSE and related parties as well as relatives of related parties during the reporting period.

In addition, other transactions (in particular reimbursement of costs and expenses) in the amount of €28,618 were concluded between SSE and a former subsidiary, an associated company, and companies controlled by a key person in the management of SSE. There were still outstanding liabilities of SSE of €3,324 on the balance sheet date.

12. Events after the balance sheet date (§ 285 no. 33 HGB)

At its meeting on 27 April 2018, the Staramba SE Board of Directors suspended the appointment of COO Frederic Cremer. The termination of employment was by mutual agreement.

Former Managing Director Julian von Hassell has been relieved of his appointment as a member of the Board of Directors by a resolution of the 25 July 2017 annual general meeting. In his place, Marc O. Kneifel was elected as a member of the Board of Directors by the annual general meeting. Mr von Hassell brought an action for annulment before the Berlin Regional Court against the two aforementioned resolutions. By a judgment of 20 March 2018, the court of first instance decided that the two aforementioned decisions were annulled. Both parties were able to reach an out-of-court settlement and the claim was withdrawn on 20 June 2018 by plaintiff Julian von Hassell.

Beginning in June 2018, the company completed the issuance of its own cryptocurrency (Staramba.Token). This led to a cash inflow of approximately USD 7.4 million

In the first quarter of 2018, a loan in the amount of €2.0 million was taken out for the short-term bridging of liquidity bottlenecks. As of 20 November 2018, a commitment to extend the maturity date was granted until 31 December 2019.

On 16 November 2018, the convertible bond of €3,500k, due for repayment or conversion on 23 March 2019 with the shareholder Hevella Capital GmbH & Co. KGaA, was extended by a further twelve months until 23 March 2020.

On 16 November 2018, the shareholder Hevella Capital GmbH & Co. KGaA granted a financing commitment in the form of a convertible loan of up to €6,000k and a term until 31 December 2020.

On 14 November 2018, the shareholder 11 Champions AG made a financing commitment in the form of a convertible loan of up to €500k with a term until 31 December 2020.

13. Report pursuant to §160 Para. 1 no. 8 AktG

Pursuant to §160 Para. 1 No. 8 AktG, Staramba SE is obliged to publish the content of the notices received pursuant to §21 1 or 1a of the Securities Trading Act (WpHG).

The following reports pursuant to §160 Para. 1 no. 8 AktG, have been undertaken up to the time ofpreparation:

26 Jan 2017

Voting rights notice

1. Information on the issuer

Staramba SE Aroser Allee 66 13407 Berlin Germany

2. Reason for the notice

X	Acquisition/sale of shares with voting rights
	Acquisition/sale of instruments
	Change in the total number of voting rights
	Other reason:

3. Information regarding the person obliged to make the notification

Name:	Registered office and country:
Mr Rolf Elgeti	

4. Name of shareholders with 3% or more voting rights, if different from 3.

Obotritia Beteiligungs GmbH

5. Date threshold was met

24 Jan 2017

6. Total voting rights

	Share of voting rights (Total 7.a.)	Share of instruments (Total 7.b.1.+ 7.b.2.)	Total shares (Total 7.a. + 7.b.)	Total number of voting rights of the issuer
new	29.61%	%	29.61%	2,112,000
Previous notice	22.37%	%	22.37%	/

7. Details of voting rights
a. Voting rights (§§21, 22 WpHG)

ISIN	absolute		in %	
	direct (§21 WpHG)	allocated (§22 WpHG)	direct (§21 WpHG)	allocated (§22 WpHG)
DE000A1K03W5		625,283	%	29.61%
Amount	625,283		29.61%	

b.1. Instruments per §25 para. 1 No. 1 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Absolute voting rights	Voting rights in%
				%
		Amount		%

b.1. Instruments per §25 Para. 1 no. 2 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Cash settlement or physical settlement	Absolute voting rights	Voting rights in%
					%
			Amount		%

8. Information relating to the notifying party

	The notifying party (3.) is neither controlled by nor does it control other parties obligated to provide notice relating to voting rights of the issuer (1.).
X	Complete chain of subsidiaries, starting with the top-level controlling party or company:

Companies	Voting rights in %, if 3% or higher	Instruments in %, if 5% or higher	Total in %, if 5% or higher
Rolf Elgeti	%	%	%
Obotritia Capital KGAA	%	%	%
Obotritia Beteiligung GmbH	29.61%	%	29.61%

9. For proxies per §22 Para. 3 WpHG
(only possible in the event of an allocation pursuant to §22 Para. 1 sentence 1 no. 6 WpHG)

Date of the annual general meeting:	
Total share of voting rights after the annual general meeting:	% (corresponds to voting rights)

10. Other explanatory remarks:

staramba
Touch the Future

27 Jan 2017

Voting rights notice

1. Information on the issuer

Staramba SE Aroser Allee 66 13407 Berlin Germany

2. Reason for the notice

X	Acquisition/sale of shares with voting rights
	Acquisition/sale of instruments
	Change in the total number of voting rights
	Other reason:

3. Information regarding the person obliged to make the notification

Name:	Registered office and country:
Mr Rolf Elgeti	

4. Name of shareholders with 3% or more voting rights, if different from 3.

Obotritia Beteiligungs GmbH

5. Date threshold was met

24 Jan 2017

6. Total voting rights

	Share of voting rights (Total 7.a.)	Share of instruments (Total 7.b.1.+ 7.b.2.)	Total shares (Total 7.a. + 7.b.)	Total number of voting rights of the issuer
new	29.61%	0%	29.61%	2,112,000
Previous notice	22.37%	0%	22.37%	/

7. Details of voting rights
a. Voting rights (§§21, 22 WpHG)

ISIN	absolute		in %	
	direct (§21 WpHG)	allocated (§22 WpHG)	direct (§21 WpHG)	allocated (§22 WpHG)
DE000A1K03W5		625,283	%	29.61%
Amount	625,283		29.61%	

b.1. Instruments per §25 para. 1 No. 1 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Absolute voting rights	Voting rights in%
				%
		Amount		%

b.1. Instruments per §25 Para. 1 no. 2 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Cash settlement or physical settlement	Absolute voting rights	Voting rights in%
					%
			Amount		%

8. Information relating to the notifying party

	The notifying party (3.) is neither controlled by nor does it control other parties obligated to provide notice relating to voting rights of the issuer (1.).
X	Complete chain of subsidiaries, starting with the top-level controlling party or company:

Companies	Voting rights in %, if 3% or higher	Instruments in %, if 5% or higher	Total in %, if 5% or higher
Rolf Elgeti	%	%	%
Obotritia Capital KGAA	%	%	%
Obotritia Beteiligung GmbH	29.61%	%	29.61%

9. For proxies per §22 Para. 3 WpHG

(only possible in the event of an allocation pursuant to §22 Para. 1 sentence 1 no. 6 WpHG)

Date of the annual general meeting:	
Total share of voting rights after the annual general meeting:	% (corresponds to voting rights)

10. Other explanatory remarks:

28 Mar 2017

Voting rights notice

1. Information on the issuer

Staramba SE Aroser Allee 66 13407 Berlin Germany

2. Reason for the notice

	Acquisition/sale of shares with voting rights
	Acquisition/sale of instruments
X	Change in the total number of voting rights
	Other reason:

3. Information regarding the person obliged to make the notification

Name:	Registered office and country:
Mr Julian von Hassell	

4. Name of shareholders with 3% or more voting rights, if different from 3.

5. Date threshold was met

22 Mar 2017

6. Total voting rights

	Share of voting rights (Total 7.a.)	Share of instruments (Total 7.b.1.+ 7.b.2.)	Total shares (Total 7.a. + 7.b.)	Total number of voting rights of the issuer
new	2.88%	0%	2.88%	2,262,000
Previous notice	3.89%	0%	3.89%	/

7. Details of voting rights
a. Voting rights (§§21, 22 WpHG)

ISIN	absolute		in %	
	direct (§21 WpHG)	allocated (§22 WpHG)	direct (§21 WpHG)	allocated (§22 WpHG)
DE000A1K03W5	65,050		2.88%	%
Amount	65,050		2.88%	

b.1. Instruments per §25 para. 1 No. 1 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Absolute voting rights	Voting rights in%
				%
		Amount		%

b.1. Instruments per §25 Para. 1 no. 2 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Cash settlement or physical settlement	Absolute voting rights	Voting rights in%
					%
			Amount		%

8. Information relating to the notifying party

X	The notifying party (3.) is neither controlled by nor does it control other parties obligated to provide notice relating to voting rights of the issuer (1.).
	Complete chain of subsidiaries, starting with the top-level controlling party or company:

Companies	Voting rights in %, if 3% or higher	Instruments in %, if 5% or higher	Total in %, if 5% or higher

9. For proxies per §22 Para. 3 WpHG

(only possible in the event of an allocation pursuant to §22 Para. 1 sentence 1 no. 6 WpHG)

Date of the annual general meeting:	
Total share of voting rights after the annual general meeting:	% (corresponds to voting rights)

10. Other explanatory remarks:

28 Mar 2017

Voting rights notice

1. Information on the issuer

Staramba SE Aroser Allee 66 13407 Berlin Germany

2. Reason for the notice

X	Acquisition/sale of shares with voting rights
	Acquisition/sale of instruments
	Change in the total number of voting rights
	Other reason:

3. Information regarding the person obliged to make the notification

Name:	Registered office and country:
3D Safe Corporation	New York United States of America

4. Name of shareholders with 3% or more voting rights, if different from 3.

5. Date threshold was met

22 Mar 2017

6. Total voting rights

	Share of voting rights (Total 7.a.)	Share of instruments (Total 7.b.1.+ 7.b.2.)	Total shares (Total 7.a. + 7.b.)	Total number of voting rights of the issuer
new	4.64%	0%	4.64%	2,262,000
Previous notice	n/a %	n/a %	n/a %	/

7. Details of voting rights
a. Voting rights (§§21, 22 WpHG)

ISIN	absolute		in %	
	direct (§21 WpHG)	allocated (§22 WpHG)	direct (§21 WpHG)	allocated (§22 WpHG)
DE000A1K03W5	105,005		4.64%	%
Amount	105,005		4.64%	

b.1. Instruments per §25 para. 1 No. 1 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Absolute voting rights	Voting rights in%
				%
		Amount		%

b.1. Instruments per §25 Para. 1 no. 2 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Cash settlement or physical settlement	Absolute voting rights	Voting rights in%
					%
			Amount		%

8. Information relating to the notifying party

X	The notifying party (3.) is neither controlled by nor does it control other parties obligated to provide notice relating to voting rights of the issuer (1.).
	Complete chain of subsidiaries, starting with the top-level controlling party or company:

Companies	Voting rights in %, if 3% or higher	Instruments in %, if 5% or higher	Total in %, if 5% or higher

9. For proxies per §22 Para. 3 WpHG

(only possible in the event of an allocation pursuant to §22 Para. 1 sentence 1 no. 6 WpHG)

Date of the annual general meeting:	
Total share of voting rights after the annual general meeting:	% (corresponds to voting rights)

10. Other explanatory remarks:

28 Mar 2017

Voting rights notice

1. Information on the issuer

Staramba SE Aroser Allee 66 13407 Berlin Germany

2. Reason for the notice

	Acquisition/sale of shares with voting rights
	Acquisition/sale of instruments
X	Change in the total number of voting rights
X	Other reason: Voluntary consolidated report due to threshold below the subsidiary

3. Information regarding the person obliged to make the notification

Name:	Registered office and country:
Mr Christian Daudert	

4. Name of shareholders with 3% or more voting rights, if different from 3.

11 Champions AG

5. Date threshold was met

22 Mar 2017

6. Total voting rights

	Share of voting rights (Total 7.a.)	Share of instruments (Total 7.b.1.+ 7.b.2.)	Total shares (Total 7.a. + 7.b.)	Total number of voting rights of the issuer
new	34.69 %	0%	34.69 %	2,262,000
Previous notice	37.15%	0%	37.15%	/

7. Details of voting rights
a. Voting rights (§§21, 22 WpHG)

ISIN	absolute		in %	
	direct (§21 WpHG)	allocated (§22 WpHG)	direct (§21 WpHG)	allocated (§22 WpHG)
DE000A1K03W5	219,648	564,960	9.71%	24.98 %
Amount	784,608		34.69 %	

b.1. Instruments per §25 para. 1 No. 1 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Absolute voting rights	Voting rights in%
				%
		Amount		%

b.1. Instruments per §25 Para. 1 no. 2 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Cash settlement or physical settlement	Absolute voting rights	Voting rights in%
					%
			Amount		%

8. Information relating to the notifying party

	The notifying party (3.) is neither controlled by nor does it control other parties obligated to provide notice relating to voting rights of the issuer (1.).
X	Complete chain of subsidiaries, starting with the top-level controlling party or company:

Companies	Voting rights in %, if 3% or higher	Instruments in %, if 5% or higher	Total in %, if 5% or higher
Christian Daudert	9.71%	%	9.71%
11 Champions AG	24.98 %	%	24.98 %

9. For proxies per §22 Para. 3 WpHG
(only possible in the event of an allocation pursuant to §22 Para. 1 sentence 1 no. 6 WpHG)

Date of the annual general meeting:	
Total share of voting rights after the annual general meeting:	% (corresponds to voting rights)

10. Other explanatory remarks:

Staramba
Touch the Future

08 Sep 2017

Voting rights notice

1. Information on the issuer

Staramba SE Aroser Allee 66 13407 Berlin Germany

2. Reason for the notice

X	Acquisition/sale of shares with voting rights
	Acquisition/sale of instruments
	Change in the total number of voting rights
	Other reason:

3. Information regarding the person obliged to make the notification

Name:	Registered office and country:
3D Safe Corporation	Tampa, Florida United States of America

4. Name of shareholders with 3% or more voting rights, if different from 3.

5. Date at which the threshold is crossed or reached:

05 Sep 2017

6. Total voting rights

	Share of voting rights (Total 7.a.)	Share of instruments (Total 7.b.1.+ 7.b.2.)	Total shares (Total 7.a. + 7.b.)	Total number of voting rights of the issuer
new	5.69%	0%	5.69%	2,332,755
Previous notice	4.64%	0%	4.64%	/

7. Details of voting rights
a. Voting rights (§§21, 22 WpHG)

ISIN	absolute		in %	
	direct (§21 WpHG)	allocated (§22 WpHG)	direct (§21 WpHG)	allocated (§22 WpHG)
DE000A1K03W5	132,699		5.69%	%
Amount	132,699		5.69%	

b.1. Instruments per §25 para. 1 No. 1 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Absolute voting rights	Voting rights in%
				%
		Amount		%

b.1. Instruments per §25 Para. 1 no. 2 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Cash settlement or physical settlement	Absolute voting rights	Voting rights in%
					%
			Amount		%

8. Information relating to the notifying party

X	The notifying party (3.) is neither controlled by nor does it control other parties obligated to provide notice relating to voting rights of the issuer (1.).
	Complete chain of subsidiaries, starting with the top-level controlling party or company:

Companies	Voting rights in %, if 3% or higher	Instruments in %, if 5% or higher	Total in %, if 5% or higher

9. For proxies per §22 Para. 3 WpHG

(only possible in the event of an allocation pursuant to §22 Para. 1 sentence 1 no. 6 WpHG)

Date of the annual general meeting:	
Total share of voting rights after the annual general meeting:	% (corresponds to voting rights)

10. Other explanatory remarks:

11 Dec 2017

Voting rights notice

1. Information on the issuer

Staramba SE Aroser Allee 66 13407 Berlin Germany

2. Reason for the notice

	Acquisition/sale of shares with voting rights
	Acquisition/sale of instruments
	Change in the total number of voting rights
X	Other reason: Omission of the parent property

3. Information regarding the person obliged to make the notification

Name:	Registered office and country:
Mr Christian Daudert, Date of birth: 15 Sep 1965	

4. Name of shareholders with 3% or more voting rights, if different from 3.

5. Date at which the threshold is crossed or reached:

07 December 2017

6. Total voting rights

	Share of voting rights (Total 7.a.)	Share of instruments (Total 7.b.1.+ 7.b.2.)	Total shares (Total 7.a. + 7.b.)	Total number of voting rights of the issuer
new	9.42 %	0%	9.42 %	2,332,755
Previous notice	34.69 %	0%	34.69 %	/

7. Details of voting rights
a. Voting rights (§§21, 22 WpHG)

ISIN	absolute		in %	
	direct (§21 WpHG)	allocated (§22 WpHG)	direct (§21 WpHG)	allocated (§22 WpHG)
DE000A1K03W5	219,648		9.42 %	%
Amount	219,648		9.42 %	

b.1. Instruments per §25 para. 1 No. 1 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Absolute voting rights	Voting rights in%
				%
		Amount		%

b.1. Instruments per §25 Para. 1 no. 2 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Cash settlement or physical settlement	Absolute voting rights	Voting rights in%
					%
			Amount		%

8. Information relating to the notifying party

X	The notifying party (3.) is neither controlled by nor does it control other parties obligated to provide notice relating to voting rights of the issuer (1.).
	Complete chain of subsidiaries, starting with the top-level controlling party or company:

Companies	Voting rights in %, if 3% or higher	Instruments in %, if 5% or higher	Total in %, if 5% or higher

9. For proxies per §22 Para. 3 WpHG

(only possible in the event of an allocation pursuant to §22 Para. 1 sentence 1 no. 6 WpHG)

Date of the annual general meeting:	
Total share of voting rights after the annual general meeting:	% (corresponds to voting rights)

10. Other explanatory remarks:

The party obligated to provide notification loses the majority of 11 Champions AG and therefore no longer controls it. As of 07 Dec 2017 11 Champions AG continues to directly hold 564,960 voting rights (equivalent to 24.22%) in Staramba SE.

staramba
Touch the Future

12 Dec 2017

Voting rights notice

1. Information on the issuer

Staramba SE Aroser Allee 66 13407 Berlin Germany

2. Reason for the notice

X	Acquisition/sale of shares with voting rights
	Acquisition/sale of instruments
	Change in the total number of voting rights
	Other reason:

3. Information regarding the person obliged to make the notification

Name:	Registered office and country:
IAFA Global Opportunities SICAV	16, rue Gabriel Lippmann, 5365 Munsbach Luxemburg

4. Name of shareholders with 3% or more voting rights, if different from 3.

n/a

5. Date at which the threshold is crossed or reached:

07 December 2017

6. Total voting rights

	Share of voting rights (Total 7.a.)	Share of instruments (Total 7.b.1.+ 7.b.2.)	Total shares (Total 7.a. + 7.b.)	Total number of voting rights of the issuer
new	4.93%	0%	4.93%	2,332,755
Previous notice	n/a %	n/a %	n/a %	/

7. Details of voting rights
a. Voting rights (§§21, 22 WpHG)

ISIN	absolute		in %	
	direct (§21 WpHG)	allocated (§22 WpHG)	direct (§21 WpHG)	allocated (§22 WpHG)
DE000A1K03W5	115,000	0	4.93%	0%
Amount	115,000		4.93%	

b.1. Instruments per §25 para. 1 No. 1 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Absolute voting rights	Voting rights in%
n/a	n/a	n/a	0	0%
		Amount	0	0%

b.1. Instruments per §25 Para. 1 no. 2 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Cash settlement or physical settlement	Absolute voting rights	Voting rights in%
n/a	n/a	n/a		0	0%
			Amount	0	0%

8. Information relating to the notifying party

X	The notifying party (3.) is neither controlled by nor does it control other parties obligated to provide notice relating to voting rights of the issuer (1.).
	Complete chain of subsidiaries, starting with the top-level controlling party or company:

Companies	Voting rights in %, if 3% or higher	Instruments in %, if 5% or higher	Total in %, if 5% or higher

9. For proxies per §22 Para. 3 WpHG

(only possible in the event of an allocation pursuant to §22 Para. 1 sentence 1 no. 6 WpHG)

Date of the annual general meeting:	
Total share of voting rights after the annual general meeting:	% (corresponds to voting rights)

10. Other explanatory remarks:

30 Dec 2017

Voting rights notice

1. Information on the issuer

Staramba SE Aroser Allee 66 13407 Berlin Germany

2. Reason for the notice

X	Acquisition/sale of shares with voting rights
	Acquisition/sale of instruments
	Change in the total number of voting rights
	Other reason:

3. Information regarding the person obliged to make the notification

Name:	Registered office and country:
IAFA Global Opportunities SICAV	16, rue Gabriel Lippmann, 5365 Munsbach Luxemburg

4. Name of shareholders with 3% or more voting rights, if different from 3.

n/a

5. Date at which the threshold is crossed or reached:

28 Dec 2017

6. Total voting rights

	Share of voting rights (Total 7.a.)	Share of instruments (Total 7.b.1.+ 7.b.2.)	Total shares (Total 7.a. + 7.b.)	Total number of voting rights of the issuer
new	5.11 %	0%	5.11 %	2,332,755
Previous notice	4.93%	n/a %	4.93%	/

7. Details of voting rights

a. Voting rights (§§21, 22 WpHG)

ISIN	absolute		in %	
	direct (§21 WpHG)	allocated (§22 WpHG)	direct (§21 WpHG)	allocated (§22 WpHG)
DE000A1K03W5	119,250	0	5.11 %	0%
Amount	119,250		5.11 %	

b.1. Instruments per §25 para. 1 No. 1 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Absolute voting rights	Voting rights in%
n/a	n/a	n/a	0	0%
		Amount	0	0%

b.1. Instruments per §25 Para. 1 no. 2 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Cash settlement or physical settlement	Absolute voting rights	Voting rights in%
n/a	n/a	n/a	n/a	0	0%
			Amount	0	0%

8. Information relating to the notifying party

X	The notifying party (3.) is neither controlled by nor does it control other parties obligated to provide notice relating to voting rights of the issuer (1.).
	Complete chain of subsidiaries, starting with the top-level controlling party or company:

Companies	Voting rights in %, if 3% or higher	Instruments in %, if 5% or higher	Total in %, if 5% or higher

9. For proxies per §22 Para. 3 WpHG

(only possible in the event of an allocation pursuant to §22 Para. 1 sentence 1 no. 6 WpHG)

Date of the annual general meeting:	
Total share of voting rights after the annual general meeting:	% (corresponds to voting rights)

10. Other explanatory remarks:

19 Apr 2018

Voting rights notice

1. Information on the issuer

Staramba SE Aroser Allee 66 13407 Berlin Germany

2. Reason for the notice

X	Acquisition/sale of shares with voting rights
	Acquisition/sale of instruments
	Change in the total number of voting rights
	Other reason:

3. Information regarding the person obliged to make the notification

Name:	Registered office and country:
IAFA Global Opportunities SICAV	16, rue Gabriel Lippmann, 5365 Munsbach Luxemburg

4. Name of shareholders with 3% or more voting rights, if different from 3.

n/a

5. Date at which the threshold is crossed or reached:

18 Apr 2018

6. Total voting rights

	Share of voting rights (Total 7.a.)	Share of instruments (Total 7.b.1.+ 7.b.2.)	Total shares (Total 7.a. + 7.b.)	Total number of voting rights of the issuer
new	4.93%	0%	4.93%	2,332,755
Previous notice	5.11 %	0%	5.11 %	/

7. Details of voting rights

a. Voting rights (§§ 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	allocated (§ 34 WpHG)	direct (§ 33 WpHG)	allocated (§ 34 WpHG)
DE000A1K03W5	115,000	0	4.93%	0%
Amount	115,000		4.93%	

b.1. Instruments per §38 Para. 1 No. 1 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Absolute voting rights	Voting rights in%
n/a	n/a	n/a	0	0%
		Amount	0	0%

b.1. Instruments per §38 Para. 1 no. 2 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Cash settlement or physical settlement	Absolute voting rights	Voting rights in%
n/a	n/a	n/a	n/a	0	0%
			Amount	0	0%

8. Information relating to the notifying party

X	The notifying party (3.) is neither controlled by nor does it control other parties obligated to provide notice relating to voting rights of the issuer (1.).
	Complete chain of subsidiaries, starting with the top-level controlling party or company:

Companies	Voting rights in %, if 3% or higher	Instruments in %, if 5% or higher	Total in %, if 5% or higher

9. For proxies per §34 Para. 3 WpHG

(only possible in the event of an allocation pursuant to §34 Para. 1 sentence 1 no. 6 WpHG)

Date of the annual general meeting:	
Total share of voting rights after the annual general meeting:	% (corresponds to voting rights)

10. Other explanatory remarks:

25 Apr 2018 / 18:03

Voting rights notice

1. Information on the issuer

Staramba SE Aroser Allee 66 13407 Berlin Germany

2. Reason for the notice

	Acquisition/sale of shares with voting rights
	Acquisition/sale of instruments
	Change in the total number of voting rights
X	Other reason: Notice due to the entry as general partner of Hevella Capital GmbH & Co. KGaA

3. Information regarding the person obliged to make the notification

Name:	Registered office and country:
Hevella Beteiligungs GmbH	Potsdam Germany

4. Name of shareholders with 3% or more voting rights, if different from 3.

Hevella Capital GmbH & Co. KGaA

5. Date at which the threshold is crossed or reached:

08 Aug 2017

6. Total voting rights

	Share of voting rights (Total 7.a.)	Share of instruments (Total 7.b.1.+ 7.b.2.)	Total shares (Total 7.a. + 7.b.)	Total number of voting rights of the issuer
new	29.9996%	0%	29.9996%	2,262,000
Previous notice	29.61%	0%	29.61%	/

7. Details of voting rights
a. Voting rights (§§ 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	allocated (§ 34 WpHG)	direct (§ 33 WpHG)	allocated (§ 34 WpHG)
DE000A1K0W5	0	678,590	0%	29.9996%
Amount	678,590		29.9996%	

b.1. Instruments per §38 Para. 1 No. 1 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Absolute voting rights	Voting rights in%
				%
		Amount		%

b.1. Instruments per §38 Para. 1 no. 2 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Cash settlement or physical settlement	Absolute voting rights	Voting rights in%
					%
			Amount		%

8. Information relating to the notifying party

	The notifying party (3.) is neither controlled by nor does it control other parties obligated to provide notice relating to voting rights of the issuer (1.).
X	Complete chain of subsidiaries, starting with the top-level controlling party or company:

Companies	Voting rights in %, if 3% or higher	Instruments in %, if 5% or higher	Total in %, if 5% or higher
Hevella Beteiligungen GmbH	%	%	%
Hevella Capital GmbH & Co. KGaA	29.9996%	%	29.9996%

9. For proxies per §34 Para. 3 WpHG

(only possible in the event of an allocation pursuant to §34 Para. 1 sentence 1 no. 6 WpHG)

Date of the annual general meeting:	
Total share of voting rights after the annual general meeting:	% (corresponds to voting rights)

10. Other explanatory remarks:

Hevella Beteiligungen GmbH became the personally liable partner of Hevella Capital GmbH & Co. KGaA on 8 August, 2017

26 Aug 2018

Correction of a voting right announcement published on 25 Apr 2018

1. Information about the issuer

Staramba SE Aroser Allee 66 13407 Berlin Germany

2. Reason for the notice

	Acquisition/sale of shares with voting rights
	Acquisition/sale of instruments
	Change in the total number of voting rights
X	Other reason: Notice due to the entry as general partner of Hevella Capital GmbH & Co. KGaA

3. Information regarding the person obliged to make the notification

Name:	Registered office and country:
Hevella Beteiligungen GmbH	Potsdam Germany

4. Name of shareholders with 3% or more voting rights, if different from 3.

Hevella Capital GmbH & Co. KGaA

5. Date at which the threshold is crossed or reached:

08 Aug 2017

6. Total voting rights

	Share of voting rights (Total 7.a.)	Share of instruments (Total 7.b.1.+ 7.b.2.)	Total shares (Total 7.a. + 7.b.)	Total number of voting rights of the issuer
new	29.9996%	0%	29.9996%	2,262,000
Previous notice	n/a %	n/a %	n/a %	/

7. Details of voting rights

a. Voting rights (§§ 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	allocated (§ 34 WpHG)	direct (§ 33 WpHG)	allocated (§ 34 WpHG)
DE000A1K03W5	0	678,590	0%	29.9996%
Amount	678,590		29.9996%	

b.1. Instruments per §38 Para. 1 No. 1 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Absolute voting rights	Voting rights in%
				%
		Amount		%

b.1. Instruments per §38 Para. 1 no. 2 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Cash settlement or physical settlement	Absolute voting rights	Voting rights in%
					%
			Amount		%

8. Information relating to the notifying party

	The notifying party (3.) is neither controlled by nor does it control other parties obligated to provide notice relating to voting rights of the issuer (1.).
X	Complete chain of subsidiaries, starting with the top-level controlling party or company:

Companies	Voting rights in %, if 3% or higher	Instruments in %, if 5% or higher	Total in %, if 5% or higher
Hevella Beteiligungen GmbH	%	%	%
Hevella Capital GmbH & Co. KGaA	29.9996%	%	29.9996%

9. For proxies per §34 Para. 3 WpHG
(only possible in the event of an allocation pursuant to §34 Para. 1 sentence 1 no. 6 WpHG)

Date of the annual general meeting:	
Total share of voting rights after the annual general meeting:	% (corresponds to voting rights)

10. Other explanatory remarks:

Hevella Beteiligungen GmbH became the personally liable partner of Hevella Capital GmbH & Co. KGaA on 8 August, 2017

15 May 2018

Voting rights notice

1. Information on the issuer

Staramba SE Aroser Allee 66 13407 Berlin Germany

2. Reason for the notice

X	Acquisition/sale of shares with voting rights
	Acquisition/sale of instruments
	Change in the total number of voting rights
	Other reason:

3. Information regarding the person obliged to make the notification

Name:	Registered office and country:
MainFirst Affiliated Fund Managers S.A.	16, rue Gabriel Lippmann, 5365 Munsbach Luxemburg

4. Name of shareholders with 3% or more voting rights, if different from 3.

n/a

5. Date at which the threshold is crossed or reached:

08 May 2018

6. Total voting rights

	Share of voting rights (Total 7.a.)	Share of instruments (Total 7.b.1.+ 7.b.2.)	Total shares (Total 7.a. + 7.b.)	Total number of voting rights of the issuer
new	3.04%	0%	3.04%	2,332,755
Previous notice	n/a %	n/a %	n/a %	/

7. Details of voting rights

a. Voting rights (§§ 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	allocated (§ 34 WpHG)	direct (§ 33 WpHG)	allocated (§ 34 WpHG)
DE000A1K03W5	7,0850	0	3.04%	0%
Amount	7,0850		3.04%	

b.1. Instruments per §38 Para. 1 No. 1 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Absolute voting rights	Voting rights in%
n/a	n/a	n/a	0	0%
		Amount	0	0%

b.1. Instruments per §38 Para. 1 no. 2 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Cash settlement or physical settlement	Absolute voting rights	Voting rights in%
n/a	n/a	n/a	n/a	0	0%
			Amount	0	0%

8. Information relating to the notifying party

X	The notifying party (3.) is neither controlled by nor does it control other parties obligated to provide notice relating to voting rights of the issuer (1.).
	Complete chain of subsidiaries, starting with the top-level controlling party or company:

Companies	Voting rights in %, if 3% or higher	Instruments in %, if 5% or higher	Total in %, if 5% or higher

9. For proxies per §34 Para. 3 WpHG

(only possible in the event of an allocation pursuant to §34 Para. 1 sentence 1 no. 6 WpHG)

Date of the annual general meeting:	
Total share of voting rights after the annual general meeting:	% (corresponds to voting rights)

10. Other explanatory remarks:

02 Jul 2018

Voting rights notice

1. Information on the issuer

Staramba SE Aroser Allee 66 13407 Berlin Germany

2. Reason for the notice

X	Acquisition/sale of shares with voting rights
	Acquisition/sale of instruments
	Change in the total number of voting rights
	Other reason:

3. Information regarding the person obliged to make the notification

Name:	Registered office and country:
MainFirst Affiliated Fund Managers S.A.	16, rue Gabriel Lippmann, 5365 Munsbach Luxemburg

4. Name of shareholders with 3% or more voting rights, if different from 3.

n/a

5. Date at which the threshold is crossed or reached:

02 Jul 2018

6. Total voting rights

	Share of voting rights (Total 7.a.)	Share of instruments (Total 7.b.1.+ 7.b.2.)	Total shares (Total 7.a. + 7.b.)	Total number of voting rights of the issuer
new	2.46%	0%	2.46%	2,332,755
Previous notice	3.04%	0%	3.04%	/

7. Details of voting rights
a. Voting rights (§§ 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	allocated (§ 34 WpHG)	direct (§ 33 WpHG)	allocated (§ 34 WpHG)
DE000A1K03W5	57,300	0	2.46%	0%
Amount	57,300		2.46%	

b.1. Instruments per §38 Para. 1 No. 1 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Absolute voting rights	Voting rights in%
n/a	n/a	n/a	0	0%
		Amount	0	0%

b.1. Instruments per §38 Para. 1 no. 2 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Cash settlement or physical settlement	Absolute voting rights	Voting rights in%
n/a	n/a	n/a	n/a	0	0%
			Amount	0	0%

8. Information relating to the notifying party

X	The notifying party (3.) is neither controlled by nor does it control other parties obligated to provide notice relating to voting rights of the issuer (1.).
	Complete chain of subsidiaries, starting with the top-level controlling party or company:

Companies	Voting rights in %, if 3% or higher	Instruments in %, if 5% or higher	Total in %, if 5% or higher

9. For proxies per §34 Para. 3 WpHG

(only possible in the event of an allocation pursuant to §34 Para. 1 sentence 1 no. 6 WpHG)

Date of the annual general meeting:	
Total share of voting rights after the annual general meeting:	% (corresponds to voting rights)

10. Other explanatory remarks:

05 Jul 2018 / 11:02

Voting rights notice

1. Information on the issuer

Staramba SE
Aroser Allee 66
13407 Berlin
Germany

2. Reason for the notice

X	Acquisition/sale of shares with voting rights
	Acquisition/sale of instruments
	Change in the total number of voting rights
	Other reason:

3. Information regarding the person obliged to make the notification

Name:	Registered office and country:
IAFA Global Opportunities SICAV	16, rue Gabriel Lippmann, 5365 Munsbach Luxemburg

4. Name of shareholders with 3% or more voting rights, if different from 3.

n/a

5. Date at which the threshold is crossed or reached:

05 Jul 2018

6. Total voting rights

	Share of voting rights (Total 7.a.)	Share of instruments (Total 7.b.1.+ 7.b.2.)	Total shares (Total 7.a. + 7.b.)	Total number of voting rights of the issuer
new	5.16 %	0%	5.16 %	2,332,755
Previous notice	4.93%	0%	4.93%	/

7. Details of voting rights

a. Voting rights (§§ 33, 34 WpHG)

ISIN	absolute		in %	
	direct (§ 33 WpHG)	allocated (§ 34 WpHG)	direct (§ 33 WpHG)	allocated (§ 34 WpHG)
DE000A1K03W5	120,288	0	5.16 %	0%
Amount	120,288		5.16 %	

b.1. Instruments per §38 Para. 1 No. 1 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Absolute voting rights	Voting rights in%
n/a	n/a	n/a	0	0%
		Amount	0	0%

b.1. Instruments per §38 Para. 1 no. 2 WpHG

Type of instrument	Maturity/expiration	Exercise period/term	Cash settlement or physical settlement	Absolute voting rights	Voting rights in%
n/a	n/a	n/a	n/a	0	0%
			Amount	0	0%

8. Information relating to the notifying party

X	The notifying party (3.) is neither controlled by nor does it control other parties obligated to provide notice relating to voting rights of the issuer (1.).
	Complete chain of subsidiaries, starting with the top-level controlling party or company:

Companies	Voting rights in %, if 3% or higher	Instruments in %, if 5% or higher	Total in %, if 5% or higher

9. For proxies per §34 Para. 3 WpHG
(only possible in the event of an allocation pursuant to §34 Para. 1 sentence 1 no. 6 WpHG)

Date of the annual general meeting:	
Total share of voting rights after the annual general meeting:	% (corresponds to voting rights)

10. Other explanatory remarks:

Berlin, 29 November 2018

Staramba SE

The Managing Director

Christian Daudert