



Annual Financial Report

2invest AG, (formerly: 4basebio AG), Heidelberg

Financial year from 1 January to 31 December 2020

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**Report of the Supervisory Board of 2invest AG
for the financial year from 1 January 2020 to 31 December 2020**

(formerly: 4basebio AG)

In the 2020 financial year, the Supervisory Board performed the duties and tasks incumbent upon it according to the law and the Articles of Association and dealt with the economic and financial situation of the company during the 2020 financial year. It also monitored and advised the Management Board in its management of the company. In accordance with § 90 of the German Stock Corporation Act (AktG), the Management Board informed the Supervisory Board about the main aspects of the business development and the economic situation of the company.

The Management Board coordinated the strategic orientation of the company with the Supervisory Board in the 2020 financial year. The Supervisory Board was involved in all major decisions of fundamental importance for 2invest AG and passed the resolutions required by law and the Articles of Association.

Communication between the Management Board and the Supervisory Board was smooth.

In the financial year from 1 January to 31 December 2020, 8 meetings of the Supervisory Board were held by telephone. 10 resolutions were passed by circular resolutions. The Supervisory Board formed an Audit Committee in the financial year.

In particular, the following topics were discussed in detail against the background of the company's situation:

- Approval of the annual financial statements as at 31 December 2020
- Spin-off of the entire operating business
- Appointment to the Management Board
- Preparations for the AGM on 17 June 2020, the EGM on 3 November 2020 and the EGM on 28 January 2021
- Various capital measures

At the Extraordinary General Meeting on 3 November 2020, the spin-off and takeover agreement between 2invest AG (formerly: 4basebio AG) and 4basebio SE, Düsseldorf (formerly Atrium 180. Europäische VV SE), the reduction of the Supervisory Board from six members to three members in the future and the reduction of the share capital were resolved.

The spin-off of the shareholdings in 4basebio S.L.U., Madrid, and 4basebio Ltd, Cambridge (the genomics & DNA business of the 4basebio Group, spin-off for inclusion pursuant to § 123 para. 2 no. 1 German Transformation Act) from 4basebio AG (today: 2invest AG) to 4basebio SE, Düsseldorf (formerly Atrium 180. Europäische VV SE) became effective upon registration in the competent commercial register of 2invest AG on 8 December 2020.

An ordinary capital reduction was resolved in accordance with §§ 222 ff. AktG by means of a consolidation of shares in the company. The share capital of 2invest AG was reduced from EUR 51,733,386 to EUR 5,748,154. Accordingly, the issued shares of 2invest AG were merged at a ratio of 9 to 1. This capital reduction was entered in the commercial register and became effective on 28 January 2021. Since then, the share capital is divided into 5,748,154 registered shares.

The Supervisory Board has given its consent to the implementation of the capital measures and the spin-off within the scope of its competence.

In March 2021, the Supervisory Board and the Management Board last jointly issued a declaration of compliance in accordance with section 161 of the German Stock Corporation Act (AktG), which was published on the company's website.

Management Board and Supervisory Board

By resolution of the Supervisory Board on 1 December 2020, Mr Plaggemars was appointed to the Management Board until 31 December 2022. He has been the sole member of the Management Board of the company since 30 December 2020 and has sole power of representation.

In view of the desired reduction in the size of the Supervisory Board, all members of the Supervisory Board had resigned from office with effect from the end of the Extraordinary General Meeting on 3 November 2020.

On the day of the Extraordinary General Meeting, 3 November 2020, the members of the Supervisory Board were:

- Mr Joseph M. Fernández,
- Dr Trevor Jarman
- Ms Pilar de la Huerta
- Mr Tim McCarthy
- Mr Peter Llewellyn-Davies
- Mr Hansjörg Plaggemars

At the Extraordinary General Meeting on 3 November 2020, Mr Joseph M. Fernández, Mr Peter Llewellyn-Davies and Mr Hansjörg Plaggemars were re-elected as members of the Company's Supervisory Board. Mr Alexander Link was elected as a substitute member for the elected Supervisory Board members for the duration of the term of office of these Supervisory Board members.

Mr Hansjörg Plaggemars resigned from his office as a member of the Supervisory Board on 29 November 2020. He was succeeded on the Supervisory Board by the substitute member Alexander Link.

The members of the Supervisory Board until 28 January 2021 were Mr Joseph M. Fernández, Mr Peter Llewellyn-Davies and, as substitute member, Mr Alexander Link, who were elected at the Extraordinary General Meeting on 3 November 2020 for a term of office until the end of the Annual General Meeting that decides on the discharge for the 2021 financial year.

In December 2020, Mr Joseph M. Fernández and Mr Peter Llewellyn-Davies resigned from the Supervisory Board with effect from the end of the Extraordinary General Meeting on 28 January 2021. The Extraordinary General Meeting on 28 January 2021 elected Ms Eva Katheder and Dr Rainer Herschlein to the Supervisory Board with a term of office that ends with the conclusion of the Annual General Meeting that resolves on the discharge for the financial year ending on 31 December 2021.

Accordingly, the Supervisory Board is currently composed of the following members:

- Mr Alexander Link (Chairman)
- Eva Katheder (Deputy Chairwoman)
- Dr Rainer Herschlein

At the meeting of the Supervisory Board on 15 January 2021, Mr Alexander Link was elected Chairman of the Supervisory Board and at the meeting of the Supervisory Board on 28 January 2021, Ms Eva Katheder was elected Deputy Chairman.

Annual financial statements as at 31 December 2020

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Mannheim, audited the annual financial statements as of 31 December 2020 and the management report of 2Invest AG. The audit opinion was issued without any reservations. The audited annual financial statements and management report as well as the audit report were made available to the Supervisory Board. The Supervisory Board discussed the annual financial statements and the management report of 2Invest AG as at 31 December 2020 as well as the auditor's report in detail with the auditor at the audit meeting and, on the basis of the comprehensive information provided by the auditor, agrees with the audit results. Following the final result of the Supervisory Board's examination of the annual financial statements and the management report of 2Invest AG as of 31 December 2020, no objections are to be raised.

At its balance sheet meeting on 29 April 2021, the Supervisory Board approved the annual financial statements prepared by the Management Board as at 31 December 2020 after a thorough review. With the approval of the annual financial statements, these are simultaneously adopted pursuant to § 172 sentence 1 AktG.

Pursuant to § 312 of the German Stock Corporation Act (AktG), a report on the company's relationships with affiliated companies was prepared for the period from 15 October 2020 to 31 December 2020 (dependency report). The company's auditor for the financial year ending 31 December 2020, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Mannheim, has audited the dependency report and issued an unqualified audit opinion. The audit opinion reads verbatim:

"Based on our audit and assessment in accordance with professional standards, we confirm that the factual information in the report is correct."

The dependency report and the related audit report of the auditor were forwarded to the Supervisory Board. The Supervisory Board examined both reports and concurred with the results of the auditor's examination. According to the final result of the Supervisory Board's examination of the dependency report, which did not result in any objections, there are no objections to be raised against the declaration of the Management Board at the end of the dependency report.

The Supervisory Board thanks the Management Board for its work and commitment to the company.

Heidelberg, 29 April 2021

The Supervisory Board

Alexander Link
as Chairman of the Supervisory Board
for the Supervisory Board

Management Report

2invest AG (formerly: 4basebio AG), Heidelberg

Financial year from 1 January to 31 December 2020

Management Report of 2invest AG (formerly: 4basebio AG)

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A. General information

Reporting company

2invest AG, Heidelberg (formerly: 4basebio AG, Heidelberg; before: Expedeon AG, Heidelberg), is a stock corporation under German law (hereinafter "2invest AG" or "the Company"). The Company is registered in the commercial register of the Local Court of Mannheim under number HRB 335706 and has its registered office at Ziegelhäuser Landstr. 3, 69120 Heidelberg. The Company is listed in the Prime Standard segment of the Frankfurt Stock Exchange under the German securities identification number (WKN) A3H3L4 and the international securities identification number (ISIN) DE000A3H3L44.

In the 2020 financial year, 2invest AG mainly acted as management and functional holding company of the former 4basebio Group, a group of companies active in the life sciences sector. In the course of the 2020 financial year, the Supervisory Board and Management Board of 2invest AG, which formerly operated under the name 4basebio AG, reviewed the strategic orientation of the company with regard to its business areas and made corresponding recommendations, which were approved by the Extraordinary General Meeting on 3 November 2020. These recommendations concerned, on the one hand, the Spin-off of the business areas remaining after the sale of the proteomics and immunology business areas to Abcam PLC, Cambridge/UK and Abcam Inc., Boston/USA with effect from 1 January 2020 (hereinafter "Abcam Transaction") (in particular the business areas genomics and DNA production bound in the shareholdings of 4basebio S.L.U., Madrid/Spain and 4basebio Ltd, Cambridge/UK) into an independent legal entity and, on the other hand, the simplification of the corporate structure remaining after the Spin-off. In the course of the 2020 financial year, with the Spin-off and the associated sale of the genomics and DNA production business areas, the company initiated the transformation into an investment company whose focus is on investing the cash proceeds from the Abcam Transaction as profitably as possible. The future business purpose of the Company is the acquisition, management and sale of investments in corporations and partnerships, especially - but not exclusively - in the biotechnology, life science and IT sectors in Germany and abroad.

On 3 November 2020, the Extraordinary General Meeting of 2invest AG, formerly known as 4basebio AG, resolved a capital reduction in the ratio of 9:1, which was entered in the competent commercial register on 9 February 2021, so that the share capital of the Company was reduced by 45,985,232 shares from 51,733,386 shares to 5,748,154 shares at that time. On 28 January 2021, an Extraordinary General Meeting approved the change of name from 4basebio AG to 2invest AG and the change of business purpose to that of an investment company as well as further amendments to the Articles of Association. The changes were entered in the relevant commercial register on 25 March 2021.

Accounting and auditing

The annual financial statements of 2invest AG are prepared in accordance with the principles of proper accounting as set out in the commercial law provisions of Sections 242 to 256a and Sections 264 to 288 HGB and the supplementary provisions of the German Stock Corporation Act (AktG) under the going concern assumption. 2invest AG is a capital market-oriented stock corporation within the meaning of § 264d HGB and is therefore classified as a large corporation pursuant to § 267 para. 3 sentence 2 HGB.

The Company is exempt from the obligation to prepare consolidated financial statements and a group management report in accordance with IFRS, as applicable in the EU, and the supplementary German statutory regulations applicable in accordance with section 315e (1) HGB. The reason for this is the exemption pursuant to Section 290 (5) HGB in conjunction with Section 296 (2) sentence 1 HGB (subsidiaries that are of minor economic importance). In other words, as of 31 December 2020, 2invest AG does not control any subsidiary that is of more than minor significance for the presentation of a true and fair view of the Group's net assets, financial position and results of operations.

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Mannheim, was elected as auditor for the financial year 2020 by the Annual General Meeting on 17 June 2020. There are no business, personal, financial or other relationships between the auditing company, its executive bodies and auditors on the one hand and 2invest AG on the other that could give rise to doubts about the independence of the auditor. Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft was neither involved in the accounting nor in the preparation of the financial statements of 2invest AG.

Business year

The 2020 financial year of 2invest AG began on 1 January 2020 and ended on 31 December 2020. The corresponding period of the previous year (hereinafter referred to as the "previous year") therefore comprises the period from 1 January 2019 to 31 December 2019.

Rounding differences

Unless otherwise stated, all amounts are given in thousands of euros (TEUR). For technical reasons, rounding differences of +/- one unit (TEUR, %, etc.) may occur in the information presented in these financial statements.

Forward-looking statements

This management report contains forward-looking statements. These statements reflect our own assessments and assumptions - including those of third parties (such as statistical data relating to the industry and to global economic developments) - at the time they were made or at the date of this report. Forward-looking statements are always subject to uncertainties. Should the estimates and assumptions prove to be inaccurate or only partially accurate, actual results may differ - even significantly - from expectations.

B. Fundamentals of the business

a. Corporate structure and organisation

Legal structure

In the 2020 financial year, 2invest AG acted mainly as management and functional holding company of the former 4basebio Group, a group of companies active in the life sciences sector. In the course of the 2020 financial year, the Supervisory Board and Management Board of 2invest AG, which formerly operated under the name 4basebio AG, reviewed the strategic orientation of the Company with regard to its business areas and made corresponding recommendations, which were approved by the Extraordinary General Meeting on 3 November 2020. These recommendations concerned, on the one hand, the Spin-off of the business areas remaining after the sale of the proteomics and immunology business areas to Abcam PLC, Cambridge/UK and Abcam Inc., Boston/USA with effect from 1 January 2020 (hereinafter "Abcam Transaction") (in particular the business areas genomics and DNA production, bundled in the holdings of 4basebio S.L.U., Madrid/Spain and 4basebio Ltd, Cambridge/UK) into an independent legal entity and, on the other hand, the simplification of the corporate structure remaining after the Spin-off. Furthermore, following the recommendations of the Management Board and the Supervisory Board, a listing on the Alternative Investment Market (AIM) of the London Stock Exchange (LSE) should be sought for the company to which the genomics and DNA production business areas are to be transferred as part of the Spin-off. These recommendations were initiated by the Company before the end of the 2020 financial year and have since been fully implemented.

As at 31 December 2019, 2invest AG, formerly known as 4basebio AG, directly (or indirectly) controlled two domestic and eight foreign subsidiaries (Australia, Singapore, Spain, UK and USA) at 100% each.

Society	Seat
4basebio Bioscience GmbH & Co. KG (formerly: Expedeon Bioscience GmbH & Co. KG)	Heidelberg/Germany
4basebio Verwaltungs GmbH (formerly: Expedeon Verwaltungs GmbH)	Heidelberg/Germany
4basebio S.L.U. (formerly: Expedeon S.L.U.)	Madrid/Spain
4basebio Inc. (formerly: Expedeon Inc.)	San Diego/USA
4basebio Ltd.	Cambridge/UK
Expedeon Holdings Ltd.	Cambridge/UK
Expedeon Ltd. (*)	Cambridge/UK
Expedeon Asia Pte. Ltd. (*)	Singapore
Innova Biosciences Ltd. (*)	Cambridge/UK
TGR BioSciences Pty Ltd. (*)	Adelaide/Australia

(*) Indirect shareholding (shareholding held by direct subsidiary Expedeon Holdings Ltd, Cambridge/UK)

The most important locations of the 4basebio Group in the 2019 financial year were Cambridge/UK, San Diego/USA, Adelaide/Australia and Madrid/Spain. 4basebio Ltd., Cambridge/UK - a direct subsidiary of 4basebio AG - was founded in anticipation of the Abcam Transaction in the 2019 financial year.

As of 31 December 2020, 2invest AG, which formerly operated under the name 4basebio AG, only controlled 4basebio Verwaltungs GmbH i.L. (formerly: Expedeon Verwaltungs GmbH), Heidelberg, which is currently in liquidation (following the implementation of the transactions described below as part of the Company's strategic realignment). This subsidiary has no material net assets and is therefore not material to the net assets, financial position and results of operations of 2invest AG (both with regard to the annual financial statements and with regard to potential consolidated financial statements). With effect from 11 December 2020 and thus already before the end of the 2020 financial year, 4basebio Inc. (formerly: Expedeon Inc.), San Diego/USA, a wholly-owned subsidiary of 2invest AG formerly operating under the name 4basebio AG, was liquidated.

2invest AG is thus exempt as of 31 December 2020 from the obligation to prepare consolidated financial statements and a group management report in accordance with IFRS, as applicable in the EU, and the supplementary German statutory provisions applicable in accordance with Section 315e (1) HGB. The reason for this is the Company's use of the exemption pursuant to Section 290 (5) HGB in conjunction with Section 296 (2) sentence 1 HGB (subsidiaries that are of minor economic importance). In other words, as of 31 December 2020, 2invest AG does not control any subsidiary that is of more than minor importance for the presentation of a true and fair view of the Group's net assets, financial position and results of operations.

The corporate structure of the former 4basebio Group as well as the shareholding structure of 2invest AG, which formerly operated under the name 4basebio AG, changed significantly in the 2020 financial year due to the following transactions or events:

1. Sale of the proteomics and immunology businesses ("Abcam Transaction")
2. Spin-off of the business areas genomics and DNA production ("Spin-off")
3. Simplification of the corporate structure remaining after the Spin-off

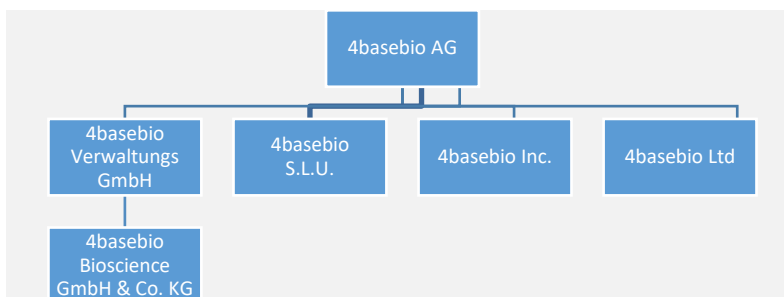
Sale of the proteomics and immunology businesses ("Abcam Transaction")

On 2 January 2020, 2invest AG, formerly known as 4basebio AG, entered into a transaction with Abcam PLC, Cambridge/UK (London Stock Exchange: ABC; ISIN: GB00B6774699; AIM MTF) and Abcam Inc., Boston/USA - hereinafter "Abcam" - to sell its proteomics and immunology businesses for EUR 120 million in cash with effect from 1 January 2020 (hereinafter "Abcam Transaction"). The Extraordinary General Meeting convened on 19 December 2019 approved the Abcam Transaction and the change of name to 4basebio AG. The change of name from Expedeon AG to 4basebio AG was entered in the commercial register on 13 January 2020.

The Abcam Transaction included the sale and transfer of all shares in Expedeon Holdings Ltd, Cambridge/UK, a subsidiary of 2invest AG at that time (formerly: 4basebio AG; before: Expedeon AG). The transaction also included the following three subsidiaries of Expedeon Holdings Ltd, Cambridge/UK: Expedeon Ltd, Cambridge/UK, TGR BioSciences Pty. Ltd, Adelaide/Australia and Innova Biosciences Ltd, Cambridge/UK. Another subsidiary of Expedeon Holdings Ltd, Cambridge/UK, 4basebio Inc. (formerly: Expedeon Inc.), San Diego/USA, was transferred to 4basebio AG with effect from 30 December 2019 in preparation of the Abcam Transaction. With effect from 1 January 2020, the assets of the non-electrophoresis instruments were transferred from 4basebio Inc, San Diego/USA to Abcam. Not part of the Abcam Transaction were 4basebio Bioscience GmbH & Co KG, Heidelberg/Germany, 4basebio Verwaltungs GmbH, Heidelberg/Germany, 4basebio S.L.U., Madrid/Spain and 4basebio Inc., San Diego/USA, although the latter company sold certain assets (inventories, customer contracts and fixed assets) to Abcam.

The genomics and DNA production business areas remaining after the Abcam Transaction were mainly operated by 4basebio S.L.U., Madrid/Spain and 4basebio Ltd, Cambridge/UK in the 2020 financial year. After the Abcam Transaction, the 4basebio Group still comprised 4basebio Inc., San Diego/USA, 4basebio Bioscience GmbH & Co KG, Heidelberg/Germany and 4basebio Verwaltungs GmbH, Heidelberg/Germany, in addition to the two subsidiaries already mentioned (4basebio S.L.U., Madrid/Spain and 4basebio Ltd, Cambridge/UK). However, the latter companies did not have any significant business operations of their own in the 2020 financial year.

The group structure of the 4basebio Group as at 1 January 2020, taking into account the Abcam Transaction, was as follows (100% subsidiaries in each case):



Spin-off of the business areas genomics and DNA production ("Spin-off")

With the approval of the Extraordinary General Meeting on 3 November 2020 of the Spin-off and takeover agreement between 2invest AG, formerly operating under the name 4basebio AG, and 4basebio UK Societas (formerly operating under the name 4basebio SE; previously operating under the name Atrium 180. Europäische VV SE), Cambridge/UK (formerly: Düsseldorf/Germany), the genomics and DNA production business areas, which were operated by the two former wholly-owned subsidiaries

- (i) 4basebio S. L. U. , a company incorporated under Spanish law with its business address at C/ Faraday 7 (Cantoblanco), 28049 Madrid/Spain, and CIF number B-85414308; and
- (ii) 4basebio UK, a company incorporated under the laws of England & Wales with its registered office in Cambridge/UK, registered at Companies House under company number 12298663 (business address: 25 Norman Way, Over, Cambridge/UK, CB24 5QE,

was undertaken by way of a Spin-off of all shares in 4basebio S.L.U., Madrid/Spain, and 4basebio Ltd, Cambridge/UK, in accordance with the Transformation Act (spin-off for absorption pursuant to § 123 para. 2 no. 1 Transformation Act) to a separate legal entity (4basebio UK Societas; formerly: 4basebio SE) with registered office in Cambridge/UK (formerly: Düsseldorf/Germany). The Spin-off became effective upon registration in the competent commercial register of the Company on 8 December 2020.

For the purpose of the transfer by way of Spin-off, the Company acquired 4basebio SE (formerly Atrium 180. Europäische VV SE) with its registered office in Düsseldorf, registered in the Commercial Register of the Local Court of Düsseldorf under HRB 87929, as the acquiring legal entity on 20 August 2020 (EUR 0.2 million). The registered office of 4basebio SE was transferred from Düsseldorf/Germany to Cambridge/UK in the course of the Spin-off. The transfer of the registered office became legally effective on 22 December 2020. On 1 January 2021, the company name was changed to 4basebio UK Societas.

Before the Spin-off took effect, 2invest AG, formerly operating under the name 4basebio AG, carried out a cash capital increase in the amount of EUR 4.3 million at the former 4basebio SE (now 4basebio UK Societas) in order to strengthen its equity base by acquiring a total of 3,575,242 new shares in 4basebio SE, Düsseldorf. After the capital increase, 2invest AG, formerly trading as 4basebio AG, held a total of 3,695,242 shares (and thus 100% of the shares at that time) in 4basebio SE, Düsseldorf/Germany.

In preparation for the Spin-off, 2invest AG, formerly 4basebio AG, carried out a capital increase against cash contributions of EUR 8.1 million at 4basebio Ltd, Cambridge/UK, in exchange for the issue of new shares in 4basebio Ltd, and made an additional payment of EUR 13.1 million to the capital reserves of 4basebio S.L.U., Madrid/Spain, in order to strengthen the equity of the subsidiaries to be spun off. The total funds of EUR 21.2 million paid by 2invest AG to 4basebio Ltd and 4basebio S.L.U. served to repay intercompany loans in the amount of EUR 10.7 million and represented a restructuring expense in the amount of EUR 9.7 million. The companies were able to repay intercompany loans in the amount of EUR 10.7 million.

The enterprise value of the new group of companies created by the Spin-off and takeover, determined according to the capitalised earnings value method (Ertragswertverfahren), was estimated at EUR 16.0 million, of which EUR 4.5 million was attributable to the non-operating assets of 4basebio UK Societas (formerly: 4basebio SE), Cambridge/UK (formerly: Düsseldorf/Germany) and EUR 11.5 million to the intrinsic value of the operating unit 4basebio S.L.U., Madrid/Spain. No value was to be attributed to 4basebio Ltd, Cambridge/UK in this context, as this company was not operationally active at the time of the Spin-off. The payment made by 2invest AG, formerly 4basebio AG, into the capital reserves of 4basebio S.L.U., Madrid/Spain, was capitalised in the amount of EUR 11.5 million (and thus in the amount of the intrinsic value) on the previous book value of the investment and recognised as an expense in the amount of EUR 1.6 million. The capital increase made by 2invest AG, formerly operating under the name 4basebio AG, in 4basebio Ltd, Cambridge/UK was immediately expensed in

full in the profit and loss statement of 2invest AG for the 2020 financial year (EUR 8.1 million), as the intrinsic value of 4basebio Ltd remains unchanged at zero as a result of this capital increase. Even after the capital increase, this company is to be regarded as having no assets due to the lack of operating activities.

To carry out the Spin-off, 4basebio UK Societas, Cambridge/UK (formerly: Düsseldorf/Germany), which formerly operated under the name 4basebio SE, increased its share capital by EUR 8.6 million from EUR 3.7 million to EUR 12.3 million by issuing 8,622,231 no-par value registered shares. All shares issued by the former 4basebio SE, Düsseldorf are entitled to participate in profits from 1 January 2020. The new shares were allocated to the shareholders of 2invest AG, formerly 4basebio AG, as consideration for the Spin-off of 4basebio Ltd, Cambridge/UK and 4basebio S.L.U., Madrid/Spain, and reduced the capital reserve of 2invest AG accordingly by EUR 11.5 million.

In the Spin-off and takeover agreement, an allocation ratio of 6:1 was stipulated, i.e. for every six shares in 2invest AG, which formerly operated under the name 4basebio AG, one share in 4basebio SE, Düsseldorf (now 4basebio UK Societas, Cambridge/UK) was issued. Upon the Spin-off taking effect, approximately 70% of the shares in 4basebio UK Societas, Cambridge/UK are now held by the shareholders of 2invest AG, while the remaining approximately 30% are held directly by 2invest AG.

The shares of 4basebio UK Societas were admitted to trading on the Alternative Investment Market (AIM) of the London Stock Exchange (LSE) on 17 February 2021 with the International Securities Identification Number (ISIN) GB00BLD8ZL39.

Simplification of the corporate structure remaining after the Spin-off

To simplify the corporate structure remaining after the Spin-off, on 11 December 2020 4basebio Inc. (formerly: Expedeon Inc.), San Diego/USA, a wholly owned subsidiary of 2invest AG, which formerly operated under the name 4basebio AG, Heidelberg, was liquidated on 11 December 2020. In the 2019 financial year, 4basebio Inc. , San Diego/USA generated the majority of its revenues from the sale of proteomics and immunology products manufactured by other companies of the former 4basebio Group. After the Abcam Transaction, these sales accordingly ceased and 4basebio Inc. San Diego/USA concentrated almost exclusively on the trade of electrophoresis equipment which did not belong to the core business of the former 4basebio Group. In view of the strategic reorientation of the 4basebio Group and continuing trading losses at 4basebio Inc. San Diego/USA, the Management Board decided to liquidate this company in the 2020 financial year. The liquidation became legally effective in the state of California, USA, on 11 December 2020.

Furthermore, on 23 December 2020, 2invest AG withdrew as limited partner from 4basebio Bioscience GmbH & Co. KG, Heidelberg, as a result of which 4basebio Bioscience GmbH & Co. KG accrued to 4basebio Verwaltungs GmbH, Heidelberg. On the same day (23 December 2020), the liquidation of 4basebio Verwaltungs GmbH, Heidelberg was resolved and filed with the commercial register.

As of 31 December 2020, 2invest AG thus only controls 4basebio Verwaltungs GmbH i.L. (formerly: Expedeon Verwaltungs GmbH), Heidelberg, which is in liquidation and whose shares are shown in the balance sheet item "Shares in affiliated companies" with a memo value of EUR 1 as of this date and are still held by the company until the end of the liquidation year. This subsidiary has no significant net assets and is therefore not material for the net assets, financial position and results of operations of 2invest AG, which previously operated under the name 4basebio AG.

Employees

As at 31 December 2020, 2invest AG had two employees (31.12.2019: one employee). These figures do not include the Management Board.

Diversity in the company ("Diversity")

The diversity of the people who work for 2invest AG forms the basis for the company's performance and success. By promoting diversity at 2invest AG, the right people can be brought together and a working culture can be created that promotes employee performance, motivation and satisfaction. Due to the law on the promotion of women in management positions, 2invest AG has to set specific targets for the two management levels. Below the Management Board, there is no longer a second management level reporting directly to the Management Board since the simplification of the corporate structure. No women were employed at the Management Board level in the 2020 financial year and it currently consists of only one board member. A personnel change in the Management Board or an enlargement of the Management Board by additional Management Board members is currently not concretely foreseeable. Therefore, the Supervisory Board has set a target of 0% for the proportion of women on the Management Board for the period until 31 December 2021. The proportion of women on the Supervisory Board was 17% in the 2020 financial year. Since 28 January 2021, the Supervisory Board, which now has three members, has one female member, so the target of a 33% share of women on the Supervisory Board is currently met.

b. Future strategy

In the 2020 financial year, the Company acted mainly as management and functional holding company of the former 4basebio Group, a group of companies active in the life sciences sector. In the course of the 2020 financial year, 2invest AG, which formerly operated under the name 4basebio AG, initiated the Spin-off of subsidiaries into an independent legal entity and the associated independence of the genomics and DNA production business areas remaining after the Abcam Transaction, initiating the transformation into an investment company whose focus is on the most possible profitable investment of the cash proceeds from the Abcam Transaction. To underpin the changed corporate strategy, the Company initiated a name change in the 2020 financial year. On 28 January 2021, an extraordinary general meeting approved the change of name from 4basebio AG to 2Invest AG as well as the change of business purpose to that of an investment company and further amendments to the Articles of Association. The changes were entered in the relevant commercial register on 25 March 2021.

2invest AG intends to invest its own financial resources primarily in listed securities. The object of the Company is the acquisition, management and sale of investments in corporations and partnerships, in particular - but not exclusively - in the biotechnology, life science and IT sectors in Germany and abroad. In the opinion of the Management Board, these industries have above-average to very good development prospects and thus have an attractive risk/reward ratio. The Company is entitled to carry out and take over all transactions and measures that are reasonable and useful for this purpose. 2invest AG strives for a balanced portfolio structure and therefore pays attention to sufficient diversification with regard to business models and/or regional markets when investing in companies from the same sector. The overriding maxim is to invest in promising investment alternatives with a sufficiently profitable risk/reward ratio. The focus is on achieving a long-term increase in value.

In addition to investments in corporations and partnerships, 2invest AG also invests in other profitable capital investments, for example in bonds or in profit participation notes, if required. Investments and divestments are generally made via the stock exchanges and transacted via domestic and/or foreign stock exchanges. In individual cases, over-the-counter transactions are also conducted via securities brokers. In addition, transactions are conducted directly with buyers or sellers.

When selecting investments, there are generally no restrictions with regard to market affiliation, industry and/or geographical region.

c. Control system - financial targets

Due to the change of 2invest AG, formerly operating under the name of 4basebio AG, from a management and functional holding company of the former 4basebio Group to an investment company as described in section "2.2. Future strategy" (caused by the Spin-off described in section "2.1. Corporate structure and organisation" in the course of the 2020 financial year and the associated independence of the genomics and DNA production business areas remaining after the Abcam Transaction), the company's management system was adjusted in the course of the 2020 financial year.

2invest AG is managed by the Management Board, which manages the Company and sets the objectives and strategic direction. 2invest AG is managed on the basis of a monthly integrated planning statement consisting of profit and loss statement, balance sheet and cash flow statement. Central planning and control parameters are monitored on an ongoing basis. Deviations from the expected key financial figures are thus regularly identified, their potential impact on liquidity and earning power assessed and appropriate countermeasures taken.

The following two financial performance indicators are considered to be the most important control parameters for the economic goals of the Company:

- (Unadjusted) **profit after tax** (net profit / net loss)
- **Freely available liquid funds (cash and bank balances plus liquid securities)**

In the previous year, cash and cash equivalents represented the only financial performance indicator of the then 4basebio AG.

In the liquidity development, the future expected cash flow is considered in relation to liquid funds, including liquid securities, i.e. securities of listed companies with sufficient trading volume. Liquid securities could be realised promptly and in a price-preserving manner in order to ensure the fulfilment of the company's obligations at all times. The cost structure is continuously and closely controlled and monitored by the Management Board. Integrated reporting is provided to the company's Supervisory Board on a monthly basis.

C. Economic report

a. Overview of the business development

Overall economic development

After a ten-year growth phase, the German economy fell into a deep recession in the Corona crisis year 2020, similar to the last time during the financial and economic crisis of 2008/2009. As the Federal Statistical Office (Destatis) had already announced in its communication on 14 January 2021, the price-adjusted gross domestic product (GDP) in 2020 was 5.0% lower than in the previous year, according to preliminary calculations. However, according to those preliminary calculations, the economy slump in 2020 was less severe overall than in 2009, when it was minus 5.7%.

The Corona pandemic left clear traces in almost all economic sectors in 2020. Production was curtailed, in some cases massively, in the service sectors as well as in the manufacturing industry.

The effects of the Corona pandemic were also clearly visible on the demand side. Unlike during the financial and economic crisis, when overall consumption supported the economy, private consumer spending in 2020 fell by 6.0% year-on-year in price-adjusted terms, the largest decline ever. In contrast, government consumption expenditure had a stabilising effect with a price-adjusted increase of 3.4%, even during the Corona crisis, to which the procurement of protective equipment and hospital services contributed, among other things.

Gross domestic product (GDP) was almost unchanged in Q4 2020 compared to Q3 2020 - adjusted for price, seasonal and calendar effects (+0.1%). During the course of the year, the German economy had initially recovered in the summer (+8.5% in Q3) after the historic slump in GDP of 9.7% in Q2 2020. In Q4, this recovery was slowed by the second Corona wave and the renewed lockdown at the end of the year. This particularly affected private consumption, while goods exports and construction investments supported the economy.

In the third quarter of 2020, seasonally adjusted GDP rose by 12.5% in the euro area and by 11.5% in the EU compared to the previous quarter, according to estimates from Eurostat, the statistical office of the European Union. These were by far the strongest increases since the series began in 1995 and a recovery from the second quarter of 2020, when GDP fell by 11.7% in the euro area and 11.3% in the EU. Compared with the same quarter of the previous year, seasonally adjusted GDP fell by 4.3% in the euro area and by 4.2% in the EU in the third quarter of 2020, a partial recovery from -14.7% and -13.9% respectively in the previous quarter.

According to the Federal Statistical Office, the annual inflation rate in Germany in 2020 was 0.5%, significantly lower than in 2019, when the inflation rate in Germany was 1.4%. The annual inflation rate in the euro area was -0.3% in November 2020, unchanged from October. A year earlier, it had been 1.0%. Annual inflation in the European Union was 0.2% in November 2020, down from 0.3% in October. A year earlier, it was 1.3%. These data are published by Eurostat, the statistical office of the European Union.

The European Central Bank lowered the interest rate from 0.05% to 0.00% in March 2016 and has kept it at this level ever since. The key interest rate indicates the conditions under which credit institutions can borrow money from central banks. The penalty interest rate for commercial banks that institutions have to pay if they park excess funds overnight at the central bank is -0.50%. However, to relieve the banks, the ECB will grant them exemptions from the penalty interest in autumn 2020.

The Dax went through a turbulent stock market year in 2020. Measured against the closing level of 13,249.01 points at the end of 2019, the Dax (performance index) still posted an annual gain of 3.5 per cent in 2020, the M-Dax of 8.8 per cent and the S-Dax of 18 per cent, despite the interim Corona crash. In the past 10 years, an average Dax P/E ratio of 11.9 could be measured. In the course of 2020, the price-earnings ratio rose from under 10 to over 15.

General statement on the course of business and the economic situation of the company

2invest AG can look back on a very successful 2020 financial year, particularly in view of the net gain from the sale of the proteomics and immunology businesses to Abcam in the amount of EUR 68.4 million. As a result, the company recorded a net profit of EUR 55.0 million in the 2020 financial year (2019: net loss of EUR 32.8 million). In addition, cash and cash equivalents and total assets improved significantly, which is also largely due to the Abcam Transaction. As at 31 December 2020, the company had freely available cash and cash equivalents of EUR 66.3 million (31 December 2019: EUR 0.1 million), consisting of cash on hand and bank balances of EUR 47.2 million (31 December 2019: EUR 0.1 million) and securities of EUR 19.1 million (31 December 2019: EUR 0.0 million). In addition, as at 31 December 2020, there are claims to cash in the amount of EUR 14.4 million (31 December 2019: EUR 0.0 million), which are held in an escrow account. These escrow assets are related to the Abcam Transaction and serve as security for guarantees and warranties granted to Abcam as part of the divestment of the proteomics and immunology businesses. There are currently no known claims on the escrow assets by Abcam. The escrow assets will be released two years after the completion of the Abcam Transaction, i.e. on 1 January 2022.

In the context of the Spin-off of the investments in 4basebio S.L.U., Madrid/Spain and 4basebio Ltd, Cambridge/UK (specifically the genomics and DNA manufacturing businesses) remaining after the Abcam Transaction to 4basebio UK Societas (formerly: 4basebio SE), Cambridge/UK (formerly: Düsseldorf/Germany) in December 2020, shares in 4basebio UK Societas amounting to EUR 11.5 million were transferred to the shareholders of 2invest AG. The shareholders of 2invest AG now hold approximately 70% of the shares in 4basebio UK Societas, while the shareholding of 2invest AG is approximately 30%. 2invest AG shows the shares in 4basebio UK Societas, Cambridge/UK in its balance sheet as at 31 December 2020 with a book value of around EUR 4.5 million under "Investments".

The balance sheet structure has changed significantly compared to the previous year. This reflects the change initiated by the Company in the course of the 2020 financial year with the Spin-off of 4basebio S.L.U., Madrid/Spain, and 4basebio Ltd, Cambridge/UK, of the genomics and DNA production business areas remaining after the Abcam Transaction, into an investment company whose future focus is on investing the cash proceeds from the Abcam Transaction as profitably as possible. Total assets as at 31 December 2020 amounted to EUR 85.6 million (31.12.2019: EUR 53.3 million). As at 31 December 2020, assets consisted mainly of cash balances (EUR 47.2 million), escrow balance (EUR 14.4 million), listed investments (EUR 19.1 million) and the investment in 4basebio UK Societas (EUR 4.5 million) (which was not traded on the capital market at that time). The shares in 4basebio UK Societas, Cambridge/UK were admitted to trading on the Alternative Investment Market (AIM) of the London Stock Exchange (LSE) on 17 February 2021. In a year-on-year comparison, the Company's assets as at 31 December 2019 consisted almost exclusively of investments in and loans to subsidiaries at that time.

The Management Board of 2invest AG expects a high degree of economic uncertainty for the financial year 2021, not least due to the ongoing Corona pandemic, but does not consider the economic situation of the Company to be at risk. The Company has sufficient liquid funds to cope with these current challenges.

b. Net assets, financial position and results of operations of 2invest AG

In the following, the course of business is analysed and explained including the most significant financial performance indicators and with reference to the amounts reported in the annual financial statements. The annual financial statements of 2invest AG are prepared in accordance with the principles of proper accounting pursuant to the provisions of Sections 242 to 256a and Sections 264 to 288 of the German Commercial Code (HGB) as well as the special provisions of the German Stock Corporation Act (AktG).

Earnings situation

[in TEUR]	2020	2019	Δ
Revenues	69	201	-132
Other operating income	68,354	9	+68,345
Personnel expenses	-79	-5	-74
Depreciation	-11	-9	-2
Other operating expenses	-12,013	-2,070	-9,943
Financial result	-1,248	-30,957	+29,709
Income taxes	0	0	0
Other taxes	-39	-1	-38
Net profit / loss for the year	55,033	-32,832	+87,865

Revenue for the 2020 financial year amounts to EUR 0.1 million (2019: EUR 0.2 million) and relates to recharges for management services provided by 2invest AG to previous subsidiaries of the former 4basebio Group in the 2020 financial year. Other operating income for the 2020 financial year amounts to EUR 68.4 million and is almost exclusively attributable to the net gain from the Abcam Transaction (2019: EUR 0.0 million).

Personnel expenses increased from TEUR 5 to TEUR 79 in the 2020 financial year compared to the previous year, which is due to the hiring of a full-time employee in the course of 2020. Other operating expenses amounted to EUR 12.0 million in the 2020 financial year and were thus significantly higher than the previous year's figure of EUR 2.1 million. The other operating expenses in the 2020 financial year were significantly influenced by the restructuring expenses of EUR 9.7 million included in this figure. These are related to the capital increase against cash contribution of around EUR 8.1 million made by 2invest AG at 4basebio Ltd, Cambridge/UK in exchange for the issue of new shares in 4basebio Ltd as well as the additional payment of around EUR 13.1 million made by 2invest AG at 4basebio S.L.U., Madrid/Spain into the capital reserves of this company. Please

refer to the corresponding explanations in section "B.a Corporate structure and organisation" under subheading "Separation of the Genomics and DNA Production Business Units". Disregarding this restructuring charge, the remaining other operating expenses of EUR 2.3 million (2019: EUR 2.1 million) continue to be attributable to legal and consultancy costs of EUR 0.8 million (2019: EUR 0.5 million), remuneration for the Management Board and Supervisory Board of EUR 0.4 million (2019: EUR 0.4 million), and other operating expenses of EUR 0.3 million (2019: EUR 0.1 million). (2019: EUR 0.4 million), costs for the audit of the annual financial statements and for tax advice of EUR 0.4 million (2019: EUR 0.4 million), costs for marketing and investor relations of EUR 0.3 million (2019: EUR 0.6 million) and miscellaneous other operating expenses of EUR 0.4 million (2019: EUR 0.2 million).

The financial result amounted to EUR -1.2 million in the 2020 financial year (2019: EUR -31.0 million) and relates exclusively to interest and similar expenses. In the 2019 financial year, the financial result included EUR 1.5 million in interest income from interest-bearing loans granted to former subsidiaries. The interest and similar expenses of EUR 1.2 million incurred in the 2020 financial year mainly relate to interest expenses concerning the convertible bond of 25 April 2018 (EUR 0.7 million) as well as the cash settlement for former shareholders of TGR BioSciences Pty. Ltd, Adelaide/Australia based on the relevant earn-out agreement in connection with the company acquisition in May 2018 (EUR 0.2 million) and the cash settlement of an option previously held by a lender (EUR 0.3 million). The write-downs on financial assets in the previous year relate to the write-down of the investment in 4basebio S.L.U. , Madrid/Spain in the amount of EUR 31.6 million and interest expenses from the use of deferred income for the option bond.

The net profit for the 2020 financial year amounts to EUR 55.0 million, compared to a net loss of EUR 32.8 million in the previous year. The net profit for the 2020 financial year is significantly influenced by the net profit from the Abcam Transaction in the amount of EUR 68.4 million as well as the expenses of the restructuring in the amount of EUR -9.7 million in connection with the Spin-off of the investments in 4basebio SLU and 4basebio Ltd remaining after the Abcam Transaction (specifically the genomics and DNA production business areas) to 4basebio UK Societas (formerly: 4basebio SE), Cambridge/UK (formerly: Düsseldorf/Germany).

Net worth

[in TEUR]	31.12.2020		31.12.2019		Δ
Intangible assets	9	0%	18	0%	-9
Property, plant and equipment	5	0%	2	0%	+3
Financial assets	4,497	5%	25,818	48%	-21,321
Receivables and other assets	14,691	17%	26,696	50%	-12,005
Securities	19,147	23%	0	0%	+19,147
Cash and cash equivalents	47,176	55%	83	0%	+47,093
Prepaid expenses	40	0%	662	1%	-622
Total assets	85,565	100%	53,279	100%	+32,286
Equity	84,501	99%	45,591	86%	+38,910
Contributions made (resolved capital increase)	0	0%	806	2%	-806
Provisions	605	1%	1,129	2%	-524
Liabilities	459	0%	5,753	11%	-5,294
Total equity and liabilities	85,565	100%	53,279	100%	+32,286

Intangible assets decreased due to scheduled depreciation. In contrast, property, plant and equipment increased due to the acquisition of IT equipment during the 2020 financial year.

Financial assets decreased by EUR 21.3 million to EUR 4.5 million in the 2020 financial year. On the one hand, this is due to the disposal of almost all investments in subsidiaries held by the Company at the end of the 2019 financial year (EUR 25.8 million) as a result of the Abcam Transaction and the Spin-off of the shares in 4basebio Ltd, Cambridge/UK and 4basebio S.L.U., Madrid/Spain. In this context, reference is made to the corresponding explanations in section "B.a Corporate structure and organisation" under subheading "Sale of the proteomics and immunology businesses " and subheading "Spin-off of the business areas genomics and DNA production ". On the other hand, the shares held in 4basebio Verwaltungs GmbH i.L., Heidelberg, were completely written off in the 2020 financial year. The disposals and write-downs of all investments held at

the end of the 2019 financial year are offset by an addition of EUR 4.5 million in the investment in 4basebio UK Societas (formerly: 4basebio SE), Cambridge/UK (formerly: Düsseldorf/Germany).

Receivables and other assets as at 31 December 2020 relate, on the one hand, to cash of EUR 14.4 million held in an escrow account and, on the other hand, to VAT receivables of EUR 0.3 million. The escrow assets are related to the Abcam Transaction and serve as security for guarantees and warranties granted to Abcam in the context of the sale of the proteomics and immunology businesses. The escrow assets will be released two years after the completion of the Abcam Transaction, i.e. on 1 January 2022. The receivables and other assets of the previous year include long-term loans to then affiliated companies amounting to EUR 26.7 million, which were settled in full in the 2020 financial year.

Under securities, 2invest AG reports the debt instruments of Drägerwerk AG & Co. KGaA, Lübeck, acquired in several tranches in the course of fiscal year 2020 (so-called Drägerwerk participation notes Series D). The classification of these securities in the amount of EUR 19.1 million as at 31 December 2020 is due to the short-term holding intention (planned sale before the repurchase by Drägerwerk on 4 January 2023) and is shown in the current assets under securities.

The prepaid expenses of the previous year include the deferred expenses from the warrant bonds reported under other liabilities as at 31 December 2019, which were issued at below par interest rates. These accruals were reversed in full through profit or loss in the 2020 financial year following the conversion of the bond and exercise of the warrants.

Cash and cash equivalents amounted to EUR 47.2 million as at 31 December 2020, compared to EUR 0.1 million as at the previous year's reporting date of 31 December 2019. The increase in cash and cash equivalents is mainly due to the cash received as part of the Abcam Transaction.

Equity increased by EUR 38.9 million during the year. This increase is mainly due to the net profit of EUR 55.0 million achieved in the 2020 financial year. Similarly, the issue of shares from conditional capital V to the former shareholders of TGR BioSciences Pty. Ltd, Adelaide/Australia based on the relevant earn-out agreement in connection with the acquisition of the company in May 2018 led to an increase in share capital of EUR 1.6 million and a reduction in the capital reserve of EUR 0.8 million, resulting in a total increase in equity of EUR 0.8 million. Equity also increased by a total of EUR 4.3 million in the 2020 financial year due to the exercise of the conversion rights provided for in the convertible bond of 25 April 2018 and the associated option rights. In contrast, the share buyback programme initiated at the beginning of the 2020 financial year and entered in the commercial register in May 2020 reduced equity by a total of EUR 9.7 million, which is attributable to the Company's share capital in the amount of EUR 5.2 million and the capital reserve in the amount of EUR 4.5 million. Furthermore, the capital reserve and thus the equity of the Company decreased by EUR 11.5 million due to the Spin-off of the shares in 4basebio Ltd, Cambridge/UK and 4basebio S.L.U., Madrid/Spain (remaining business areas genomics and DNA production).

Compared to the previous year (31 December 2019: EUR 1.1 million), provisions decreased by EUR 0.5 million to EUR 0.6 million as at 31 December 2020. Liabilities decreased by EUR 5.3 million compared to the previous year (31 December 2019: EUR 5.8 million) to EUR 0.5 million as at 31 December 2020. This decrease is mainly due to the settlement of financial liabilities after the Abcam Transaction in the amount of EUR 0.9 million, the conversion of warrant bonds during the year in the amount of EUR 2.1 million and the settlement of liabilities of formerly affiliated companies in the amount of EUR 2.5 million.

Financial position

The cash flow statement prepared in accordance with DRS 21 distinguishes between cash flows from operating, investing and financing activities.

[in TEUR]	2020	2019	Δ
Cash flow from operating activities	-7,827	-1,600	-6,228
Cash flow from investing activities	+63,799	+1,478	+62,321
Cash flow from financing activities	-8,879	0	-8,879
Cash and cash equivalents at the end of the financial year	+47,176	+83	+47,093

For the 2020 financial year, the net operating cash outflow of EUR -7.8 million was significantly above the level of the previous year (2019: net cash outflow of EUR -1.6 million). This is mainly due to transactions of a one-off nature in the 2020 financial year. Among other things, all intercompany liabilities and claims were settled in preparation for the Spin-off and, in this context, obligations to former subsidiaries were settled. On the other hand, the Spin-off in the 2020 business year resulted in not inconsiderable legal and consulting costs.

The net cash inflow from investing activities of EUR +63.8 million was significantly above the level of the previous year (2019: net cash inflow of EUR +1.5 million). This is primarily due to the cash inflow of EUR 108.7 million received by the company as part of the Abcam Transaction (sale of the proteomics and immunology business areas). In addition, there are claims to cash in the amount of EUR 14.4 million, which are held in an escrow account and serve as security for guarantees and warranties

granted to Abcam as part of the sale transaction. Currently, the Company is not aware of any claims on the escrow assets by Abcam. The escrow assets will be released two years after the completion of the Abcam Transaction, so the Company expects a further cash inflow on 1 January 2022. In contrast, payments for individual investments in financial assets reduced the cash flow from investing activities. On the one hand, 2invest AG, which formerly operated under the name 4basebio AG, carried out a capital increase against cash contributions of EUR 8.1 million to strengthen the equity of the spun-off subsidiaries at 4basebio Ltd, Cambridge/UK prior to the Spin-off in exchange for the issue of new shares in 4basebio Ltd and made an additional payment of EUR 13.1 million to the capital reserves of 4basebio S.L.U., Madrid/Spain. The total funds of EUR 21.2 million paid by 2invest AG to 4basebio Ltd, Cambridge/UK and 4basebio S.L.U., Madrid/Spain represented restructuring expenses of EUR 9.7 million. On the other hand, before the Spin-off took effect, 2invest AG acquired the former 4basebio SE (now 4basebio UK Societas), Düsseldorf (now Cambridge/UK) (EUR 0.2 million) and carried out a cash capital increase of EUR 4.3 million to strengthen its equity base.

The net cash outflow from financing activities amounted to EUR -8.9 million in the 2020 financial year, compared to a cash flow from financing activities of EUR 0.0 million in the 2019 financial year. The cash flow from financing activities increased in the 2020 financial year due to the payments received from shareholders in connection with the exercise of the additional option rights provided for in the convertible bond of 25 April 2018 in the amount of EUR +2.0 million (issue proceeds). In contrast, the cash flow from financing activities decreased due to payments in connection with the share buyback programme initiated at the beginning of the 2020 financial year and entered in the commercial register in May 2020 in the amount of EUR -9.7 million and due to loan repayments in the amount of EUR -1.2 million.

Cash and cash equivalents (consisting of cash on hand and bank balances) thus increased significantly from EUR 0.1 million at the end of the 2019 financial year to EUR 47.2 million as at 31 December 2020. This increase is largely due to the cash received as part of the Abcam Transaction. With the sale of the proteomics and immunology businesses to Abcam with effect from 1 January 2020, the company has sufficient cash to finance future business activities.

Principles and objectives of the Company's financial management

The financial management has changed significantly compared to the previous year. It reflects the change initiated by the Company in the course of the 2020 financial year with the Spin-off of the investments in 4basebio S.L.U., Madrid/Spain and 4basebio Ltd, Cambridge/UK (genomics and DNA production business areas) remaining after the Abcam Transaction, into an investment company whose future focus is on investing the cash income from the Abcam Transaction as profitably as possible. Due to the future focus as an investment company, the Company's financial management currently focuses on monitoring liquidity, consisting of liquid funds and liquid securities, i.e. securities of listed companies with sufficient trading volume. In this way, investments can be realised promptly and in a price-preserving manner if necessary. The financial management basically pursues the goal of maintaining the financial independence of the Company by ensuring sufficient liquidity. In this way, the financial strength of the Company is to be maintained at a high level at all times. Risks are to be avoided as far as possible or effectively hedged. The financing and liquidity risks are presented in section "4. Opportunity and Risk Report". 2invest AG does not engage in speculative forward transactions and only uses derivative financial instruments when necessary.

Overall assessment of the net assets, financial position and results of operations

The Management Board of 2invest AG expects a high degree of economic uncertainty for the financial year 2021, not least due to the ongoing Corona pandemic, but does not consider the economic situation of the company to be at risk. The Company has sufficient liquid funds to cope with these current challenges.

D. Opportunity and risk report

a. Opportunity and risk management system

2invest AG operates in a dynamic market environment and is therefore exposed to various risks that are inextricably linked to entrepreneurial activity. In order to identify risks at an early stage, analyse them and take effective countermeasures, the Management Board, in its overall responsibility for 2invest AG, has established a system for risk management and internal controls. The main objective of risk management is to identify and monitor strategic, market-related, financial and business-specific opportunities and risks at an early stage in order to take the necessary, appropriate and suitable measures after careful examination.

This is supported by a regular exchange between the Management Board and the Supervisory Board, in which important topics are addressed and discussed. The risk situation of 2invest AG is not only taken into account in the annual financial reporting, but also in the review of the interim reports.

2invest AG continuously monitors all applicable environmental, health and safety, operational and other applicable legal or industry guidelines. 2invest AG makes provisions to cover potential risks wherever necessary and appropriate.

Accounting-related internal control and risk management system

Pursuant to Section 289 (4), 2invest AG is obliged to describe the main features of the accounting-related internal control and risk management system in the management report. The objective of the internal control and risk management system with regard to the accounting process is to identify and assess risks that could conflict with the objective of conformity of the financial statements with regulations. This is to provide reasonable assurance that financial reporting is prepared in accordance with legal requirements and generally accepted accounting principles.

The internal control and risk management system for the accounting process comprises principles, procedures and measures to ensure the effectiveness, efficiency and regularity of accounting and to ensure compliance with the relevant laws and standards. Essential elements are clearly defined control mechanisms (in the form of system-related and manual reconciliation processes), the separation of functions ("dual control principle") and the existence of or compliance with guidelines and work instructions. In principle, any internal control system ("ICS") must take into account the fact that, regardless of its design, it cannot provide absolute certainty that material accounting misstatements will be avoided or detected. Reasons for this may include, for example, erroneous discretionary decisions, inadequate controls or criminal acts. The Management Board bears the overall responsibility for the internal control and risk management system with regard to accounting.

Specific accounting-related risks can arise, for example, from the conclusion of unusual or complex transactions. In addition, business transactions that are not routinely processed are subject to latent risk. A limited group of persons necessarily has discretionary powers in the recognition and measurement of assets and liabilities, which can result in further accounting-related risks.

Significant changes in the accounting processes due to new laws, amendments to laws or changes in internal processes are analysed promptly for their effects. Special accounting and financial reporting issues or complex matters that either involve special risks or require special expertise are monitored. Fundamental questions arising in the course of preparing the financial statements, as well as financial issues arising during the year (e.g. accounting and tax issues) are discussed with the Supervisory Board in a timely manner. If necessary, additional external advisors are consulted on various topics (e.g. tax loss carry forwards or deferred taxes).

The monthly, quarterly and annual financial information is analysed for plan/actual deviations and accounting discrepancies and inconsistencies. Prior to publication, the quarterly and annual financial statements are discussed with the supervisory board, which also conducts its own review.

The ICS is continuously checked for the effectiveness of the controls and adjusted if necessary. The accounting-related internal control system and the early warning system in accordance with § 91 para. 2 AktG are reviewed as part of the audit of the financial statements. The auditor is obliged to inform the Supervisory Board about accounting-related risks or control weaknesses as well as other material weaknesses in the accounting-related internal control system and the early warning system pursuant to § 91 para. 2 AktG identified during the audit of the financial statements.

b. Opportunities and risks of future business development

The opportunities and risks identified and pursued with regard to 2invest AG within the framework of the risk management system are listed below. There is no netting of opportunities and risks. The opportunity and risk situation has changed significantly compared to the previous year. This reflects the change initiated by the Company in the course of the 2020 financial year with the Spin-off of the remaining investments in 4basebio S.L.U., Madrid/Spain and 4basebio Ltd, Cambridge/UK (genomics and DNA production business areas) after the Abcam Transaction, and a change of the Company into an investment company whose future focus is on the most profitable possible investment of the cash proceeds from the Abcam Transaction. The company distinguishes between "environmental and business risks", "financial risks", "other risks" and "business opportunities".

Environmental and business risks

Under the "environment and business risks", 2invest AG monitors in particular risks arising from macroeconomic, political, social and regulatory developments. In addition, the specific operational risks inherent in the business model of 2invest AG are monitored. Opportunities and risks from the business model exist on the basis of the future operation as an investment company, in which the surplus liquidity is invested in securities with a good risk/reward ratio. Securities are subject to price change risks, so that the investment can result in income but also in losses. Price change risks can lead to total loss, e.g. if a company in which an investment has been made has to file for insolvency (default risk). Price change risks exist due to a wide variety of influencing factors, some of which can be influenced by the market participants themselves (issuer risks), such as mismanagement, but which can also be exogenous, for example due to general economic influences, political influences such as trade wars, or currently the influence of the Corona outbreak. The Management Board counters these risks by continuously monitoring securities prices and investing in primarily liquid securities with the largest possible market capitalisation (greater than EUR 1 billion).

Financial risks

Various financial risks in connection with financial assets and financial liabilities can have an adverse effect on the net assets, financial position and results of operations of 2invest AG. These are essentially interest rate risks, credit or default risks, liquidity risks and exchange rate risks.

INTEREST RATE RISKS

The Company does not currently have any financial liabilities on its balance sheet. However, the Company currently has a substantial amount of cash balances, the interest on which is mainly dependent on the base interest rate of the European Central Bank. In the event of a reduction in the base rate, interest costs may be incurred for holding these bank balances (e.g. in the event of negative interest rates).

CREDIT OR DEFAULT RISKS

In addition to the default risks presented under business risks, 2invest AG is also exposed to possible defaults of the banking system and a resulting loss of capital. This is particularly the case with regard to the not insignificant cash holdings at banks. The financial stability of the banks used by the Company is constantly monitored and the amount of deposits with the individual banks is regularly checked.

LIQUIDITY RISKS

Liquidity risk describes the risk that 2invest AG is not able to pay its liabilities when due. Liquidity risks are monitored as part of the monthly reporting. The monthly cash flow statement and the cash flow forecast help to identify any liquidity bottlenecks at an early stage. After the Abcam Transaction, the liquidity risk of 2invest AG has been significantly reduced.

EXCHANGE RATE RISKS

The majority of the Company's activities are conducted in Euro. However, the Company holds a British pound-denominated investment in 4basebio UK Societas, Cambridge/UK and may make further investments in currencies other than the euro. Consequently, large fluctuations in the exchange rate of the Euro, particularly against the AUD dollar, the CAN dollar, the US dollar or the British pound, may have a negative impact on the overall financial performance.

Other risks

CORONA / COVID-19

The effects of the Corona pandemic, which was ongoing at the time of the preparation of the management report, on the European and global economy in general and on 2invest AG in particular cannot be estimated at this point in time due to the current dynamics and the still unforeseeable duration. However, the Management Board does not consider the economic situation of the Company to be endangered by this. The Company has sufficient liquid funds to cope with the negative consequences of this pandemic.

IT RISKS

The Company does not see any IT risks due to the low relevance for the activities carried out.

LITIGATION

Risks from legal disputes are not apparent. There are no lawsuits against the Company.

PERSONNEL RISKS

The Management Board consists of only one board member, which poses a risk to the Company's continued orderly business operations. However, the Company considers this appropriate in view of the current business activities.

Business opportunities

The opportunities for future developments lie in acting as an investment company that invests surplus liquidity in securities with a good risk/reward ratio, while at the same time keeping a lookout for investment opportunities in the biotechnology, life science and IT sectors at home and abroad. The chances of future developments are therefore primarily dependent on the strategic reorientation of the Company based on the identification of investment opportunities with a good risk/reward ratio.

In April 2021, the Company filed a lawsuit with the Stuttgart Tax Court regarding the non-recognition of input tax amounts. There are differences of opinion between 2invest AG and the relevant tax authority in these proceedings. The risks are fully taken into account in the provisions and relate to the reimbursement of input tax amounts for periods prior to 31 December 2019. If the lawsuit is upheld, the Company will receive corresponding reimbursement amounts in the mid three-digit thousands.

Overall Statement of the Management Board

In its function as the body responsible for risk management, the Management Board of 2invest AG continuously reviews the Company's opportunity and risk situation. The fundamental risk profile has changed significantly with the completion of the Abcam Transaction. After the Abcam Transaction and the Spin-off of the remaining business assets, the Company's main focus in the coming years will be on securing a return on the investment. Overall, the Board considers the risks to be appropriate and has confidence in the effectiveness of the risk management system with regard to changes in the environment and the requirements of the ongoing business.

E. Forecast report

The following section may contain forward-looking statements based on the Management Board's beliefs and expectations regarding future developments, including financial forecasts and the Company's future business situation. These expectations are subject to the risks and uncertainties described in section "D. Opportunity and risk report". Actual results may differ materially from the estimates due to a variety of factors beyond the control of the Management Board.

Comparison of the actual development with the business development forecast in the 2019 forecast report

The forecast for 2020 within the management report for the 2019 financial year was as follows:

"The total financial performance in financial year 2020 will depend on the progress made in the development of DNA production facilities, the related cost structure and the Group's ongoing research and development activities. In view of the closure of 4basebio Inc., San Diego/USA, the Management Board expects operating losses of this subsidiary until its final closure in the course of the 2020 financial year. In addition, additional costs for the closure of operations are expected.

During 2020, 4basebio will report a significant accounting profit due to the disposal of its proteomics and immunology assets to Abcam which completed on 1 January 2020 with proceeds of €120 million. In the near term however, it is expected that the Group will report operating losses and cash outflows as the Group re-invests to scale and expand our activities. The operational cash burn, excluding expenses relating to the Abcam transaction, from the remaining business for 2020 is expected to be between €2.5 million to €3.5 million with revenues between €0.5 million and €1.0 million. 4basebio is now primarily focussed on the development of commercial quantities of synthetic DNA for use in gene therapy and gene vaccine markets, two rapidly emerging and fast-growing market segments. Current DNA supply for these markets is met by biofermentation production processes over which synthetic DNA, a new technology, has very clear performance, safety and cost benefits.

Over the next two years 4basebio expects to invest up to €15.0 million in the ongoing development of its proprietary technology for DNA manufacture, the subsequent scaling of its business and the development of a DNA manufacturing facility to produce commercial quantities of synthetic, clinical grade DNA. Alongside this we will continue our buy and build strategy with the aim of acquiring assets and technologies in gene therapy and vaccine workflows which are complementary to the core synthetic DNA production technology.

Management believes the pursuit of this strategy offers a value creation opportunity that can in due course significantly exceed the €120 million received from the sale of the immunology and proteomics assets. "

The forecast for 2020 included in the management report for the 2019 financial year focused primarily on the Group view. The "significant" accounting profit forecast for the individual company occurred with the net gain from the Abcam Transaction of EUR 68.4 million. Accordingly, cash holdings (at the time the only financial performance indicator of 2invest AG, which previously operated under the name 4basebio AG) increased significantly, as expected. In contrast, the statements made in the forecast report for 2020 regarding the investment activities of the former 4basebio AG (now 2invest AG) "in the next two years" are outdated as a result of the change to an investment company that has been initiated in the meantime.

Forecast for the 2021 business year

The OECD's December 2020 ECONOMIC OUTLOOK interim report noted that progress on vaccine development and the treatment of COVID-19 has improved future prospects and reduced uncertainties. Unprecedented action by governments and central banks has led to a rapid recovery in global economic activity in many sectors. Without the massive support measures, the impact on the economic and social situation would have been catastrophic. However, this prevented the worst from happening. Most of the existing economic structures were preserved and could be quickly ramped up again. The economy must continue to be massively supported, precisely because an end to the health crisis is now in sight.

The global economy will gain momentum in the next two years. By the end of 2021, global economic output is expected to have returned to pre-pandemic levels. After a sharp drop this year, global GDP is projected to grow by 4¼% in 2021 and by another 3¾% in 2022. Advances in research and vaccine development, more effective contact tracing and isolation, and

behavioural changes in private and business life can better contain the incidence of infection. As a result, restrictions on mobility can gradually be eased. The measures taken since the beginning of the pandemic to support jobs and businesses play an important role in this. They play a crucial role in enabling the economy to recover quickly after the restrictions are lifted. This, together with the reduced uncertainty, should cause the increased savings to be used for consumer spending and investment. The extraordinary fiscal relief provided in 2020 and still needed will pay off in the end. As more and more economic activity gradually ramps up again, the recovery will strengthen and accelerate. This will limit the overall loss of income due to the crisis.

The Company has been operating as an investment company since the beginning of 2021. For this purpose, the business purpose of the Company, among other things, was adjusted with the approval of the Extraordinary General Meeting on 28 January 2021. The Company intends to invest its own assets primarily in listed securities. It makes investments in corporations and partnerships primarily - but not exclusively - in the biotechnology, life sciences and IT sectors in Germany and abroad. In the opinion of the Board of Directors, these sectors have an attractive risk/reward ratio. The overriding maxim is to invest in investment opportunities with a good risk/reward ratio in order to thereby achieve a long-term increase in value. Since the exact entry or exit point for investments is not predictable, as this in turn depends on several factors, the Company plans on the basis of costs. Based on the current organisational and personnel structure, fixed costs of TEUR 476 are expected for the 2021 financial year and costs of TEUR 370 in each of the following years. In 2021, one-off costs in connection with the attempted Kromi takeover and in connection with legal advice regarding the Spin-off as well as ongoing VAT proceedings of around TEUR 111 are also expected. For the 2021 financial year, a net loss of approximately TEUR 251 is expected based on the expected costs and the result of approximately TEUR 88 already generated by the end of March 2021. Based on these assumptions, freely available liquid funds as well as surplus liquidity invested in securities are expected to amount to approximately EUR 63.4 million as of 31 December 2021. This amount does not include the escrow assets of EUR 14.4 million, which will not be freely available until 1 January 2022 in connection with the Abcam Transaction to secure guarantees and warranties granted to Abcam as part of the sale of the proteomics and immunology businesses. The escrow assets will be released two years after the completion of the Abcam Transaction, i.e. on 1 January 2022. There are currently no known claims on the escrow assets by Abcam.

The Management Board assumes that the volatility of the capital markets will remain high. Income from the sale of securities in the amount of TEUR 903 was currently realised by 31 March 2021. This income is offset by value adjustments on securities held as current assets of TEUR 560. The net contribution to earnings as of 31 March 2021 from securities transactions thus amounts to TEUR 343. Although there is a considerable risk of a major downturn, as the effects of the outbreak of the coronavirus and the impact on the global economy and thus also on the capital markets cannot be foreseen at present, the Management Board currently assumes that the capital markets will remain at a high valuation level over the next twelve to eighteen months. This expectation is based not least on the significant expansion of the money supply that has been and is being brought into the market by governments, as well as on the increasing delta between bond and dividend yields. In this respect, the Management Board expects a challenging market environment for the 2021 financial year, which should, however, also offer opportunities for new, attractive investments.

The Board's objective is to cover costs from income rather than from available liquidity on the basis of acting as an investment company by investing liquidity in securities with a good risk/reward ratio with a focus on biotechnology, life sciences and IT - although not exclusively.

F. Remuneration report

The remuneration report is part of the management report and contains both the basic features of the remuneration systems for the Management Board and the Supervisory Board as well as a disclosure of the amount and structure of the remuneration. The remuneration report is based on the recommendations of the German Corporate Governance Code (GCGC) and complies with the requirements of the relevant provisions of Sections 289a (2), 314 (1) No. 6a and b. In this remuneration report, 2invest AG discloses both the remuneration of the Management Board and the remuneration of the Supervisory Board on an individualised basis.

a. Management Board

Members of the Management Board

- **Hansjörg Plaggemars**, Management Board, appointed on 1 December 2020 until 31 December 2022

On 30 December 2020, both Dr Heikki Lanckriet, member of the Management Board since 2016, and David Roth, member of the Management Board since 2017, resigned from the Management Board.

Main features of the remuneration system for the Management Board

The overall structure of the remuneration system for the Management Board is discussed and regularly reviewed by the full Supervisory Board, which is responsible for determining the appropriate remuneration of the individual Management Board members. In view of the importance of the composition of the Management Board and the related remuneration of the individual members, the Supervisory Board has formed a separate Nomination and Remuneration Committee. The non-performance-related components and the basic structures of the performance-related components are part of the employment contracts concluded with the individual Management Board members.

The aim and purpose of the remuneration system for the members of the Management Board of 2invest AG is to allow the members of the Management Board to participate in the development of the Company in accordance with their individual tasks and performance for the Company and their success in shaping the economic and financial situation of the Company, taking into account the competitive environment. The total remuneration of the Management Board is performance-related and consisted of various components in the 2020 financial year:

- a non-performance-related remuneration (fixed remuneration); and
- a performance-related remuneration (variable remuneration).

At the Annual General Meeting on 7 July 2017, the Company received shareholder approval for the allotment of up to 2 million shares to the Management Board under an employee share option scheme. In the 2018 financial year, 1.75 million share options were allocated.

The non-performance-related components consist of a fixed amount.

As part of the Spin-off approved by the Extraordinary General Meeting on 3 November 2020, the Company confirmed its intention to settle the employee options held by Dr Heikki Lanckriet and David Roth. Consequently, 4basebio Ltd, Cambridge/UK, a subsidiary at the time, made a payment of TEUR 585 to Dr Heikki Lanckriet and TEUR 439 to David Roth in November 2020 as consideration for the cancellation of the options.

With a view to the 2020 financial year, the performance-related remuneration consisted of a variable bonus. The amount of the respective bonus depends exclusively on the achievement of certain target parameters, which are based on the business development. The amount of the variable bonus is based on an annual assessment of the Company's performance, which is oriented towards the achievement of strategic and operational goals such as the completion of the financing process, the increase of the company's visibility on the capital market and other corporate goals. During and after the end of the financial year, the Supervisory Board evaluates the progress in achieving the goals and determines the bonus, taking into account all relevant factors.

As consideration for the completion of the Abcam Transaction, the Supervisory Board approved payments to Dr Heikki Lanckriet (GBP 1.4 million / EUR 1.6 million) and David Roth (TGBP 900 / EUR 1.1 million) in January 2020. These amounts were paid by 4basebio Ltd, Cambridge/UK.

The total remuneration of the members of the Management Board in the 2020 financial year amounted to TEUR 4,555 (2019: TEUR 640). The new Management Board member Hansjörg Plaggemars did not receive a salary or other remuneration from 2invest AG in the 2020 financial year.

Remuneration of the Management Board

Composition of the remuneration of the members of the Management Board for the past financial year 2020:

[in TEUR]	Non-performance related remuneration	Performance-related remuneration	Settlement of options	Total cash remuneration
Dr Heikki Lanckriet	300	1,826	585	2,711
<i>of which from 2invest AG</i>	<i>120</i>	<i>-</i>	<i>--</i>	<i>120</i>
<i>thereof from 4basebio Ltd</i>	<i>180</i>	<i>1,826</i>	<i>585</i>	<i>2,591</i>
David Roth	217	1,188	439	1,844
<i>of which from 2invest AG</i>	<i>87</i>	<i>-</i>	<i>--</i>	<i>87</i>
<i>thereof from 4basebio Ltd</i>	<i>130</i>	<i>1,188</i>	<i>439</i>	<i>1,757</i>

Composition of the remuneration of the members of the Management Board for the previous financial year 2019:

[in TEUR]	Non-performance related remuneration	Performance-related remuneration	Settlement of options	Total cash remuneration
Dr Heikki Lanckriet	296	76	--	372
<i>of which from 2invest AG</i>	<i>178</i>	<i>46</i>	--	<i>223</i>
<i>thereof from Expedeon Ltd</i>	<i>119</i>	<i>30</i>	--	<i>149</i>
David Roth	213	55	--	268
<i>of which from 2invest AG</i>	<i>171</i>	<i>43</i>	--	<i>214</i>
<i>thereof from Expedeon Ltd</i>	<i>43</i>	<i>11</i>	--	<i>54</i>

b. Supervisory Board

Members of the Supervisory Board

- **Alexander Link** (since 29 November 2020, *Chairman of the Supervisory Board* from 15 January 2021)
Chief Financial Officer, Deutsche Balaton Aktiengesellschaft, Heidelberg/Germany
- **Eva Katheder** (since 28 January 2021, *Deputy Chairwoman of the Supervisory Board*)
Self-employed management consultant, Bad Vilbel/Germany
- **Dr Rainer Herschlein** (since 28 January 2021)
Lawyer, Heuking Kühn Lüer Wojtek, Stuttgart/Germany
- **Joseph M. Fernández**, (until 28 January 2021, *Chairman of the Supervisory Board until 15 January 2021*)
Chairman of the Board of Active Motif Inc, Carlsbad, California/USA
- **Hansjörg Plaggemars** (until 29 November 2020)
Management consultant, Stuttgart/Germany
- **Peter Llewellyn-Davies** (until 28 January 2021)
Chairman of the Board and Chief Financial Officer of APEIRON Biologics AG, Vienna/Austria
- **Pilar de la Huerta** (until 3 November 2020)
Chief Executive Officer of ADL BioPharma, Madrid/Spain
- **Dr Trevor Jarman** (until 3 November 2020)
Independent entrepreneur, Cambridge/UK
- **Tim McCarthy** (until 3 November 2020)
Chairman of the Board of Unnamed Ltd, Cambridge/UK

The Extraordinary General Meeting of 3 November 2020 approved the reduction of the Supervisory Board from six members to three. At that time, Dr Trevor Jarman, Tim McCarthy and Pilar de la Huerta confirmed their decision to resign from the Supervisory Board and the Supervisory Board was reduced to three members. At the same time, a replacement Supervisory Board member, Alexander Link, was appointed. With the departure of Hansjörg Plaggemars from the Supervisory Board on 29 November 2020, Alexander Link moved up to the Supervisory Board.

At the Extraordinary General Meeting on 28 January 2021, Joe Fernández and Peter Llewellyn-Davies confirmed their decision to step down and Eva Katheder and Dr Rainer Herschlein were appointed in their place.

Other memberships of Supervisory Board members in other statutory supervisory boards and comparable domestic and foreign supervisory bodies (section 125 (1) sentence 5 AktG)

- **Alexander Link** (since 29 November 2020)
 - HW Verwaltungen AG, Halberstadt/Germany, Chairman of the Supervisory Board
 - PWI-PURE SYSTEM AG, Heidelberg/Germany, Chairman of the Supervisory Board
 - SPK Süddeutsche Privatkapital AG, Heidelberg/Germany, Chairman of the Supervisory Board
 - Tabalon Mobile Technologies AG, Heidelberg/Germany, Chairman of the Supervisory Board
 - Nordic SSW 1000 Verwaltungs AG, Heidelberg/Germany, Deputy Chairman of the Supervisory Board

- Epigenomics AG, Berlin/Germany, Member of the Supervisory Board
- **Eva Katheder** (since 28 January 2021)
 - AEE Gold AG, Heidelberg/Germany, Deputy Chairwoman of the Supervisory Board
 - Mistral Media AG, Frankfurt/Germany, Member of the Supervisory Board
 - Heidelberger Beteiligungsholding AG, Heidelberg/Germany, Chairwoman of the Supervisory Board
 - Strawtec Gruppe AG, Heidelberg/Germany, Deputy Chairwoman of the Supervisory Board
 - Balaton Agro Invest AG, Heidelberg/Germany, Deputy Chairwoman of the Supervisory Board
 - Latonba AG, Heidelberg/Germany, Deputy Chairwoman of the Supervisory Board
 - Latonba 2.0 AG i.Gr. , Heidelberg/Germany, Member of the Supervisory Board
 - Investunity AG (until 20 January 2021), Heidelberg/Germany, Chairwoman of the Supervisory Board
- **Dr Rainer Herschlein** (since 28 January 2021)
 - ALMATO AG (formerly DATAGROUP Mobile Solutions AG), Stuttgart/Germany, Chairman of the Supervisory Board
 - Ming Le Sports AG, Heidelberg/Germany, Member of the Supervisory Board
 - mobileObjects AG, Büren/Germany, Member of the Supervisory Board
- **Joseph M. Fernández** (until 28 January 2021)
 - Active Motif, INC. , Carlsbad/USA, Chairman of the Board of Directors
 - Delegate Advisors, LLC, Chapel Hill/USA, Member of the Board of Directors
 - J & J Fernández Ventures L.P., Carlsbad/USA, Member of the Board of Directors
 - Joan & Joseph Fernández Family Foundation, Carlsbad/USA, Member of the Board of Directors
 - Jmjv Management Corp, Carlsbad /USA, Member of the Board of Directors
 - Protein Fluidics INC. , Santa Clara/USA, Member of the Board of Directors
 - Structures On The Green LLC, Carlsbad /USA, Member of the Board of Directors
 - The Land Of Oz LLC, Carlsbad /USA, Member of the Board of Directors
 - 4basebio UK Societas, Cambridge/UK, Member of the Board of Directors
- **Hansjörg Plaggemars** (until 29 November 2020)
 - Azure Minerals Limited, Perth/Australia, Member of the Board of Directors
 - Davenport Resources Limited, Perth/Australia, Member of the Board of Directors
 - Altech Chemicals Limited, Perth/Australia, Member of the Board of Directors
 - KIN Mining NL, Perth/Australia, Member of the Board of Directors
 - 4basebio UK Societas, Cambridge/UK, Member of the Board of Directors
 - CARUS AG, Heidelberg/Germany, Deputy Chairman of the Supervisory Board
 - HW Verwaltungs AG, Halberstadt/Germany, Deputy Chairman of the Supervisory Board
 - The Grounds Real Estate Development AG, Berlin/Germany, Member of the Supervisory Board
 - Strawtec Building Solutions Ltd, Kigali/Rwanda, Chairman of the Board of Directors
 - PNX Metals Limited, Perth/Australia, Member of the Board of Directors
- **Peter Llewellyn-Davies** (until 28 January 2021)
 - Shield Therapeutics PLC, London/UK, Member of the Supervisory Board and Chairman of the Audit Committee
- **Dr Trevor Jarman** (until 3 November 2020)
 - Persavita Ltd, Cambridge/UK, Chairman of the Board of Directors
 - Natures Remedies Ltd, Cambridge/UK, Chief Executive Officer
 - Cambridge Cell Networks Ltd, Cambridge/UK, Member of the Board of Directors
 - Swangap Flat Management Ltd, Cambridge/UK, Member of the Board of Directors
 - Protus Ltd, Cambridge/UK, Member of the Board of Directors
- **Tim McCarthy** (until 3 November 2020)
 - ImmuPharma PLC, London/UK, Chairman of the Board of Directors
 - Dropped Ltd, Cambridge/UK, Chairman of the Board of Directors
 - Incanthera Ltd, Manchester/UK, Chairman of the Board of Directors
 - Incanthera Therapeutics Ltd, Manchester/UK, Member of the Board of Directors

- Incanthera R&D Ltd, Manchester/UK, Member of the Board of Directors
- Frangipani Dreams Ltd, Cambridge/UK, Member of the Board of Directors
- Unnamed Ltd, Cambridge/UK, Chairman of the Board of Directors

Main features of the remuneration system for the Supervisory Board

The remuneration of the members of the Supervisory Board is determined by the Annual General Meeting and is regulated in Article 10 of the Articles of Association of 2invest AG. In accordance with the German Corporate Governance Code, the individual members of the Company's Supervisory Board receive both fixed, non-performance-related remuneration and variable, performance-related remuneration.

The non-performance-related remuneration received by each member is TEUR 20. The chairperson receives double and the deputy chairperson 1.5 times the remuneration of a Supervisory Board member. In addition to this remuneration, each chairperson of a Supervisory Board committee receives remuneration of TEUR 10, provided the committee meets at least twice in the financial year. Furthermore, for the first financial year in which a positive return on equity is achieved, the members of the Supervisory Board receive variable remuneration amounting to 10% of the fixed remuneration. In subsequent years, the variable remuneration (performance-related remuneration) is measured as a percentage of the return on equity (in per cent) of the consolidated financial statements. Supervisory Board members who serve for only part of the financial year receive an appropriate pro rata (reduced) remuneration. All members of the Supervisory Board are reimbursed for expenses incurred in the exercise of their office.

Remuneration of the Supervisory Board

[in TEUR]	2020			2019		
	fixed	variable	Total	fixed	variable	Total
Dr Cristina Garmendia Mendizábal	-	-	-	11	-	11
Joseph M. Fernandez	40	4	44	37	-	37
Dr Trevor Jarman	17	2	19	20	-	20
Tim McCarthy	25	3	28	27	-	27
Peter Llewellyn-Davies	29	3	32	30	-	30
Pilar de la Huerta	25	3	28	27	-	27
Hansjörg Plaggemars	18	2	20	10	-	10
Alexander Link	2	-	2	-	-	-
Total	157	16	173	162	-	162

Shares and subscription rights of the members of the Supervisory Board

	01.01.2020	Additions	Disposals	31.12.2020
Joseph M. Fernández	2,689,469	-	--	2,689,469
Peter Llewellyn-Davies	--	10,000	--	10,000
	2,689,469	10,000	--	2,699,469

In addition, Kathrin Plaggemars, a person closely related to Hansjörg Plaggemars, holds 40,000 shares in the Company as at 31 December 2020.

c. Professional liability insurance (D&O insurance)

2invest AG has taken out a liability insurance policy (D&O insurance) with a deductible for members of the Supervisory Board, for members of the Management Board and for executives of affiliated companies in Germany and abroad. The deductible is based on the legal requirements and the recommendations of the German Corporate Governance Code. The insurance covers

the costs of legal defence in the event of a claim and any compensation payments to be made, which are covered by the insurance policy. The sum insured is deliberately kept low so that the premium is in reasonable proportion to the economic circumstances of the Company. In the event of liability exceeding the sum insured, each individual member of the Management Board or the Supervisory Board is personally and fully liable.

G. Takeover-relevant information

Disclosures in accordance with §§ 289a para. 1 HGB

COMPOSITION OF THE SUBSCRIBED CAPITAL (NO. 1)

The share capital of 2invest AG of EUR 51,733,386 as at 31 December 2020 is divided into 51,733,386 no-par value ordinary registered shares with a notional interest in the share capital of EUR 1 per share. All ordinary shares without exception are entitled to vote. There are no holders of shares with special rights or other restrictions on voting rights.

RESTRICTIONS ON VOTING RIGHTS OR THE TRANSFER OF SHARES (NO. 2)

The Management Board is not aware of any restrictions affecting voting rights or the transfer of shares, in particular any restrictions that may arise from agreements between shareholders.

DIRECT OR INDIRECT SHAREHOLDINGS EXCEEDING 10% OF THE VOTING RIGHTS (NO. 3)

On 28 October 2020, a regulatory filing was made by Mr. W. Zours confirming a total position in the shares of 2invest AG of 46.37%.

HOLDERS OF SHARES WITH SPECIAL RIGHTS (NO. 4)

Shares in 2invest AG with special rights conferring powers of control did not and do not exist.

TYPE OF VOTING RIGHTS CONTROL IN THE CASE OF EMPLOYEE PARTICIPATION (NO. 5)

There are no employees who have an interest in the share capital of 2invest AG and cannot exercise their control rights directly.

STATUTORY PROVISIONS AND PROVISIONS OF THE ARTICLES OF ASSOCIATION ON THE APPOINTMENT AND DISMISSAL OF MEMBERS OF THE MANAGEMENT BOARD AND ON AMENDMENTS TO THE ARTICLES OF ASSOCIATION (NO. 6)

a) Appointment of members of the Board of Directors

According to § 6 of the Articles of Association of 4basebio AG, the Management Board consists of one or more members, whereby the actual number of additional Management Board members is determined by the Supervisory Board. The Supervisory Board may appoint a Chairperson and one or more Deputy Chairpersons of the Management Board.

b) Dismissal of members of the Management Board

The appointment and dismissal of the members of the Management Board is governed by §§ 84 et seq. AktG and the supplementary provisions of the Articles of Association of the Supervisory Board.

c) Amendment of the Articles of Association of the Company

The amendment of the Company's Articles of Association is provided for in Sections 133 and 179 of the German Stock Corporation Act (AktG) in conjunction with Section 9 (7) of the Articles of Association of 4basebio AG. According to the Articles of Association of 4basebio AG, a resolution of the Annual General Meeting adopting an amendment to the Articles of Association requires a simple majority of the share capital represented at the time the resolution is adopted, unless mandatory statutory provisions stipulate otherwise.

BOARD OF DIRECTORS' RESPONSIBILITIES, ON SHARE ISSUANCE OR SHARE BUY-BACK (NO. 7)

The Management Board was authorised by the Annual General Meeting on 5 July 2018 to issue the following new shares or conversion or option rights:

Pursuant to Article 4 (4) of the Articles of Association of 4basebio AG, the Management Board is authorised, with the consent of the Supervisory Board, to increase the Company's share capital by up to EUR 25,561,278 by issuing up to 25,561,278 new registered no-par value ordinary shares (no-par value shares) from the Authorised Capital 2018 against cash and/or non-cash contributions on one or more occasions until 4 July 2023. The Management Board may, with the consent of the Supervisory Board, exclude the statutory subscription right of the shareholders

- to the extent necessary to avoid fractional amounts;
- to grant shares against contributions in kind;
- to the extent necessary to protect against dilution in order to grant the holders of convertible bonds and/or bonds with warrants, convertible bonds or warrants subscription rights to new shares to the extent to which they would be entitled after exercising their conversion or option rights or after fulfilling a conversion obligation; or
- in the case of a capital increase against cash contributions, if the pro rata amount of the share capital attributable to the new shares for which the subscription right is excluded does not exceed 10% of the share capital registered at the time the authorisation* becomes effective and at the time the authorisation is exercised and the issue price of the new shares is not significantly lower than the stock exchange price of the shares of the same class already listed.

(*) The authorisation for the authorised capital 2018 became effective on 24 October 2018 upon entry in the commercial register. The share capital amounted to EUR 51,411,323 at that time.

The Management Board had not yet made use of this authorisation by 31 December 2020. Thus, authorised capital totalling EUR 25,561,278 was available.

Pursuant to Article 4 (5) of the Articles of Association of 4basebio AG, the Management Board is authorised, with the consent of the Supervisory Board, to increase the share capital of the Company by a total of up to EUR 1,000,000 by issuing up to 1,000,000 new registered no-par value ordinary shares from the Conditional Capital 2019. The conditional capital increase from the conditional capital 2019 will only be carried out to the extent that the holders of share options issued by the Company on the basis of the authorisation resolution of the General Meeting of 7 July 2017 (share option plan 2019), as amended by the General Meeting of 9 July 2019, up to and including 6 July 2024, exercise their subscription rights and the Company does not grant treasury shares or shares from an existing or newly created authorised capital or makes a cash settlement. The new registered ordinary shares resulting from the exercise of these subscription rights shall be entitled to dividends from the beginning of the financial year for which, on the day of the issue of the shares, no resolution of the General Meeting on the appropriation of the balance sheet profit has yet been adopted. No use had yet been made of the conditional capital 2019 as at 31 December 2020.

Pursuant to § 4 para. 6 of the Articles of Association of 4basebio AG, the share capital is conditionally increased by up to EUR 4,000,000 by issuing up to 4,000,000 registered ordinary shares (Conditional Capital 2018/I). The conditional capital increase from the conditional capital 2018/I will only be carried out to the extent that the holders of share options issued by the Company on the basis of the authorisation resolution of the General Meeting of 7 July 2017 (2017 share option plan) with the amendments in accordance with the resolution of the General Meeting of 5 July 2018 until 6 July 2022 exercise their subscription rights and the Company does not grant treasury shares or shares from an existing or newly created authorised capital or decides on a cash settlement. The new shares shall participate in the profit from the beginning of the financial year for which, at the time of the issue of the shares, no resolution of the General Meeting on the appropriation of the balance sheet profit has yet been adopted. No use had yet been made of the Conditional Capital 2018/I as at 31 December 2020.

Pursuant to Article 4 (7) of the Articles of Association of 4basebio AG, the share capital is conditionally increased by up to EUR 14,958,370 through the issuance of up to 14,958,370 registered ordinary shares (Conditional Capital 2018/II), following the issuance of shares from warrant and convertible bonds during the year. The conditional capital increase will only be carried out to the extent that the holders of warrant or convertible bonds issued on the basis of the authorisation resolution of the General Meeting of 5 July 2018 exercise their option or conversion rights or, to the extent that they are obliged to convert, fulfil their obligation to convert their convertible bonds and the Company does not grant treasury shares or shares from an existing or newly created authorised capital or makes a cash settlement. The new shares participate in the profit from the beginning of the financial year for which no resolution of the General Meeting on the appropriation of the balance sheet profit has been passed at the time of the issue of the shares. In the 2020 financial year, 3,041,630 subscription shares were issued from the Conditional Capital 2018/II, so that it amounts to EUR 14,958,370 as at 31 December 2020.

Pursuant to § 4 para. 9 of the Articles of Association of 4basebio AG, the share capital is conditionally increased by up to EUR 37,362 through the issuance of up to 37,262 registered ordinary shares (Conditional Capital V), after shares from a convertible bond were issued during the year. The conditional capital increase will only be carried out to the extent that the holders of option or convertible bonds issued on the basis of the authorisation resolution of the General Meeting of 20 June 2016 exercise their option or conversion rights or, to the extent that they are obliged to convert, fulfil their obligation to convert their convertible bonds and the Company does not grant treasury shares or shares from an existing or newly created authorised capital or makes a cash settlement. The new shares participate in the profit from the beginning of the financial year for which no resolution of the Annual General Meeting on the appropriation of the balance sheet profit has been passed at the time of the issue of the shares. In the 2020 financial year, 1,612,638 subscription shares were issued from the Conditional Capital 2018 V, so that it amounts to EUR 37,362 as at 31 December 2020.

MATERIAL AGREEMENTS SUBJECT TO A CHANGE OF CONTROL FOLLOWING A TAKEOVER BID (NO. 8)

Significant agreements to which the Company is a party and which are subject to a change of control as a result of a takeover bid do not exist at the reporting date.

COMPENSATION AGREEMENTS IN THE EVENT OF A TAKEOVER BID (NO. 9)

There are no compensation agreements with the members of the Management Board or with employees in the event of a takeover bid.

H. Dependency Report

A report on relations with affiliated companies was prepared for the period from 15 October 2020 to 31 December 2020 in accordance with Section 312 of the German Stock Corporation Act (AktG). The report states the following with regard to the reportable transactions: "2invest AG has received appropriate consideration for the legal transactions and measures listed in the report on relationships with affiliated companies for the period from 15 October 2020 to 31 December 2020 according to the circumstances known to the Management Board at the time at which the legal transactions were carried out or the measures were taken or omitted, and has not been disadvantaged by the fact that the measures were taken or omitted."

I. Corporate Governance Statement

2invest AG is committed to the recognised standards of good and responsible corporate governance and aligned its management and control with the requirements of the German Corporate Governance Code (DCGK) until 4 March 2021. The standards applied are set out in the corporate governance statement pursuant to § 289f HGB. On 28 November 2020, an extraordinary general meeting resolved to spin off the operating business of 2invest AG with retroactive effect from 1 January 2020. Without the operating business, however, the orientation of 2invest AG has changed fundamentally: The Management Board was reduced to one person, the Supervisory Board to three persons. In addition to the Management Board, 2invest AG currently only has two part-time employees and will in future act as a pure investment company without any operating business of its own. The Management Board and Supervisory Board of 2invest AG therefore declare that they will no longer apply the recommendations of the Government Commission on the German Corporate Governance Code as amended on 16 December 2019 in the future. By resolution dated 4 March 2021, the Management Board and Supervisory Board have determined not to comply with the recommendations of the Government Commission on the German Corporate Governance Code as published in the Federal Gazette on 20 March 2020. The Company is of the opinion that the recommendations of the Government Commission on the German Corporate Governance Code were designed for large public companies, in particular those with their own operations, but are inappropriate for companies of the size of 2invest AG. Therefore, the recommendations of the Government Commission on the German Corporate Governance Code will not be complied with in the future. The size and economic significance of the Company do not require orientation towards the recommendations of the Government Commission on the German Corporate Governance Code, which are essentially designed for large listed companies. In all other respects, proper corporate governance is possible by observing the statutory provisions.

2invest AG publishes the declaration on corporate governance (§ 289f HGB) on its homepage at <https://2invest-ag.com/de/corporate-governance/entsprechenserklaerung/>. This declaration includes the Declaration of Conformity with the German Corporate Governance Code pursuant to Section 161 AktG, which can be accessed at <https://2invest-ag.com/de/corporate-governance/>.

Heidelberg, 29 April 2021

Hansjörg Plaggemars

Management Board

Balance sheet oath of 2invest AG (formerly: 4basebio AG), Heidelberg

DECLARATION PURSUANT TO SECTION 264(2)(3) AND SECTION 289f(1)(5) OF THE COMMERCIAL CODE (HGB)

"To the best of my knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company."

Heidelberg, 29 April 2021

Hansjörg Plaggemars

Management Board

Balance sheet of 2invest AG (formerly: 4basebio AG), Heidelberg

[in TEUR]	31.12.2020	31.12.2019		31.12.2020	31.12.2019
Assets			Liabilities		
A. Fixed assets			A. Equity		
I. Intangible assets			I. Subscribed capital	51,733	52,310
Acquired for consideration: concessions, commercial property rights and similar rights and assets and licences to such rights and assets	9	18	Calculated value of the conditional capital TEUR 19,996 (previous year: TEUR 24,650)		
II. Property, plant and equipment			II. Capital reserve	321,578	337,124
Other equipment, operating and office equipment	5	2	III. Accumulated loss	-288,810	-343,843
III. Financial investments				84,501	45,591
1. Shares in affiliated companies	0	25,818	B. Contributions made to implement resolved capital increases	0	806
2. Investments	4,497	0	C. Provisions		
	4,511	25,838	1. Tax provisions	0	0
B. Current assets			2. Other provisions	605	1,129
I. Receivables and other assets				605	1,129
1. Receivables from affiliated companies	-	26,679	D. Liabilities		
2. Other assets	14,691	17	1. Trade payables ¹⁾	439	126
	14,691	26,696	2. Liabilities to affiliated companies ²⁾	0	2,524
II. Other securities	19,147	0	3. Other liabilities ^{3) 4) 5)}	20	3,103
III. Cash in hand and bank balances	47,176	83		459	5,753
	81,014	26,779		85,565	53,279
C. Prepaid expenses	40	662			
	85,565	53,279			

¹⁾ of which with a remaining term of up to one year EUR 439 thousand (31 December 2019: EUR 126 thousand)

²⁾ of which with a remaining term of up to one year EUR 0 thousand (31 December 2019: EUR 2,524 thousand)

³⁾ thereof from taxes TEUR 0 (31 December 2019: TEUR 125)

⁴⁾ of which within the scope of social security EUR 1 thousand (31 December 2019: EUR 0 thousand)

⁵⁾ of which with a remaining term of up to one year EUR 20 thousand (31 December 2019: EUR 3,103 thousand)

Profit and loss statement of 2invest AG (formerly: 4basebio AG), Heidelberg

[in TEUR]	01.01. – 31.12.	
	2020	2019
1. Revenues	69	201
2. Other operating income thereof from currency translation TEUR 3 (previous year: TEUR 0)	68,354	9
	68,423	210
3. Personnel expenses		
a) Wages and salaries	-65	-4
b) Social security contributions	-14	-1
	-79	-5
4. Amortisation of intangible assets and depreciation of property, plant and equipment	-11	-9
5. Other operating expenses, thereof from currency translation EUR 2 thousand (previous year: EUR 0 thousand)	-12,013	-2,070
6. Other interest and similar income thereof from affiliated companies TEUR 0 (previous year: TEUR 1,455)	0	1,478
7. Interest and similar expenses	-1,220	-834
8. Write-downs on financial assets	-28	-31,601
9. Taxes on income and earnings	0	0
10. Result after taxes	55,072	-32,831
11. Other taxes	-39	-1
12. Net profit / loss for the year	55,033	-32,832
13. Loss carried forward	-343,843	-311,011
14. Withdrawal from the capital reserve	11,511	0
15. Asset reduction due to spin-off	-11,511	0
16. Accumulated loss	-288,810	-343,843

Cash flow statement of 2invest AG (formerly: 4basebio AG), Heidelberg

01.01. - 31.12.

[in TEUR]	2020	2019
Net profit / loss for the year	55,033	-32,832
+ Write-down and depreciation of fixed assets	39	31,611
- Decrease in provisions	-526	-280
+ Decrease in trade receivables and services and other assets (unless investing or financing activities)	348	19
-/+ Decrease / increase in liabilities from Trade accounts payable and other liabilities (unless investing or financing activities)	-5,294	526
-- Profit from the disposal of fixed assets	-68,351	0
+ Restructuring expenses	9,704	0
+/- Interest expenses / income	1,220	-644
= Cash flow from operating activities	-7,827	-1,600
- Payments for investments in property, plant and equipment	-6	0
+ Proceeds from disposals of financial assets (disregarding escrow assets in the amount of EUR 14,400 thousand)	108,664	0
- Payments for investments in financial assets	-16,008	0
- Payment of restructuring expenses	-9,704	0
- Payments for investments in securities held as current assets	-19,147	0
+ Interest received	0	1,478
= Cash flow from investing activities	+63,799	+1,478
+ Proceeds from contributions to equity by shareholders	2,000	0
- Payments from equity capital reductions to shareholders	-9,677	0
- Payments from the redemption of loans	-1,202	0
= Cash flow from financing activities	-8,879	0
Change in cash and cash equivalents	47,093	-122
+ Cash and cash equivalents at the beginning of the period	83	205
= Cash and cash equivalents at the end of the period	47,176	83

Statement of changes in equity of 2invest AG (formerly: 4basebio AG), Heidelberg

[in TEUR]	Subscribed Capital (ordinary shares)	Capital- reserve	Balance sheet- loss	Equity Total
As at 1 January 2019	51,411	335,451	-311,011	75,851
Capital increase from conditional capital (Innova Bioscience Ltd, Cambridge/UK)	899	387	0	1,285
Increase in capital reserve (TGR Biosciences Pty. Ltd, Adelaide/Australia)	0	1,286	0	1,286
Net loss for the year	0	0	-32,832	-32,832
As at 31 December 2019	52,310	337,124	-343,843	45,591
As at 1 January 2020	52,310	337,124	-343,843	45,591
Capital reduction from share buyback programme	-5,231	-4,446	0	-9,677
Capital increase from conditional capital (TGR BioSciences Pty. Ltd, Adelaide/Australia)	1,612	-806	0	806
Capital increase from conditional capital (convertible bond and related option rights)	3,042	1,217	0	4,259
Withdrawal from capital reserve (Spin-off)	0	-11,511	0	-11,511
Net profit for the year	0	0	55,033	55,033
As at 31 December 2020	51,733	321,578	-288,810	84,501

Notes to the financial statements

2invest AG (formerly: 4basebio AG), Heidelberg

Financial year from 1 January to 31 December 2020

Notes to the financial statements of 2invest AG (formerly: 4basebio AG), Heidelberg

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A. General information

2invest AG, Heidelberg (formerly: 4basebio AG, Heidelberg; before: Expedeon AG, Heidelberg), is a stock corporation under German law (hereinafter "2invest AG" or "the Company"). In the 2020 financial year, the Company acted mainly as management and functional holding company of the former 4basebio Group, a group of companies active in the life sciences sector. During the 2020 financial year, 2invest AG, formerly known as 4basebio AG, initiated its transformation into an investment company with the sale of the proteomics and immunology businesses and the Spin-off of subsidiaries into a separate legal entity and the associated disposal of the genomics and DNA manufacturing businesses. Please refer to the specific information in section "C.1. Fixed assets" and the relevant information in the management report in section "B.a. Corporate structure and organisation".

The Company is registered in the Commercial Register of the Local Court of Mannheim under the number HRB 335706 and has its registered office at Ziegelhäuser Landstr. 3, 69120 Heidelberg. The Company is listed in the Prime Standard segment of the Frankfurt Stock Exchange under the German securities identification number (WKN) A3H3L4 and the international securities identification number (ISIN) DE000A3H3L44.

The annual financial statements of 2invest AG are prepared in accordance with the principles of proper accounting pursuant to the commercial law provisions of Sections 242 to 256a and Sections 264 to 288 HGB as well as the supplementary provisions of the German Stock Corporation Act (AktG) under the going concern assumption. 2invest AG is a capital market-oriented stock corporation within the meaning of § 264d HGB and is therefore classified as a large corporation pursuant to § 267 para. 3 sentence 2 HGB.

The financial year of 2invest AG coincides with the calendar year. The profit and loss statement is prepared according to the total cost method.

The annual financial statements are prepared in euros (EUR). Unless otherwise stated, all amounts are presented in thousands of euros (TEUR). For computational reasons, rounding differences of +/- one unit (EUR, %, etc.) may occur in the information presented in these financial statements.

In order to improve the clarity of presentation, we have combined individual items of the balance sheet and the profit and loss statement and broken them down and explained them separately in these notes.

B. Accounting and valuation principles

As in the previous year, the following accounting and valuation methods were used to prepare the annual financial statements.

Acquired **intangible assets** are recognised at cost and, if they are subject to wear and tear, are reduced by scheduled amortisation calculated on a straight-line basis over their useful lives. Internally generated intangible fixed assets are not capitalised.

Property, plant and equipment are recognised at acquisition or production cost and, if subject to wear and tear, reduced by scheduled depreciation. Property, plant and equipment are depreciated over their expected useful lives using the straight-line method. Depreciation on additions to property, plant and equipment is made pro rata temporis.

Acquisition costs of low-value assets up to EUR 800 are written off immediately; all acquisition values above this are capitalised and depreciated according to schedule over their term.

Financial assets are recognised at the lower of cost or fair value. The fair value of shares in unlisted affiliated companies is determined using the capitalised earnings value method.

Unscheduled depreciation of fixed assets is carried out in the event of a probable permanent reduction in value, in the case of financial assets also in the event of a temporary reduction in value. If the reasons for the impairment no longer apply, the impairment is reversed.

Receivables and other assets are recognised at the lower of nominal value or fair value and - if non-interest-bearing - discounted to the balance sheet date for remaining terms of more than one year. All risk-bearing items are taken into account through the formation of appropriate individual value adjustments.

Securities held as current assets are recognised at the lower of cost or market value on the balance sheet date.

Cash and cash equivalents (cash on hand and bank balances) are recognised at nominal value.

Subscribed capital is accounted for at par value.

The **provisions** take into account all uncertain liabilities and impending losses from pending transactions. In accordance with section 253 (1) of the German Commercial Code (HGB), the provisions have been formed in the amount considered necessary according to reasonable commercial judgement. Future price and cost increases were taken into account if there were sufficient objective indications that they would occur. Provisions with a remaining term of more than one year are discounted at the

average market interest rate of the past seven financial years corresponding to their remaining term, as determined and published by the Deutsche Bundesbank.

Liabilities are recognised at the settlement amount.

Accruals and deferrals include expenses (or income) before the balance sheet date if they represent expenses (or income) for a specified period thereafter.

Deferred taxes result from temporary and quasi-permanent valuation differences between the valuation of provisions under commercial law and tax law as well as from existing loss carry forwards. They are valued at the company-specific tax rates at the time the differences are eliminated. Deferred taxes are not discounted. In application of the option in § 274 para. 1 sentence 3 HGB, deferred tax assets and liabilities are offset against each other. The excess of deferred tax assets was not recognised as of the balance sheet date as elected under section 274 (1) sentence 2 HGB.

Receivables and liabilities in foreign currencies with a remaining term of up to one year are translated at the mean spot exchange rate on the balance sheet date. For a remaining term of more than one year, the realisation principle (§ 252 para. 1 no. 4 HGB) and the acquisition cost principle (§ 253 para. 1 HGB) are observed. The thereof "Currency translation" shown in the profit and loss statement contain both realised and unrealised exchange rate differences.

Estimates and judgements: In preparing the annual financial statements, the Management Board of 2invest AG must make estimates and assumptions that affect the recognition and measurement of assets and liabilities as of the reporting date and the expenses and income for the reporting period as well as the disclosure of risks and uncertainties. Actual results may differ from these estimates.

C. Notes to the balance sheet

1. Fixed assets

The development of the individual fixed asset items is shown in the fixed asset movement schedule included in the appendix to the notes.

Shares in affiliated companies

2invest AG holds the following shares in affiliated companies on the balance sheet date (31 December 2020):

Society	Seat	Currency	Capital share [in %]	in thousand	
				Equity31 .12.2020 [in LC]	Result FY 2020 [in LC]
4basebio Verwaltungs GmbH i.L. (formerly: Expedeon Verwaltungs GmbH)	Heidelberg, Germany	EUR	100	1	-3

On 11 December 2020, 4basebio Inc., San Diego/USA, a wholly owned subsidiary of 2invest AG, which formerly operated under the name 4basebio AG, was liquidated.

In the course of the 2020 financial year, the Supervisory Board and Management Board of 2invest AG, formerly known as 4basebio AG, reviewed the strategic orientation of the Company with regard to its business areas and made corresponding recommendations, which were approved by the extraordinary general meeting on 3 November 2020. These recommendations concerned, on the one hand, the Spin-off of the remaining business units after the sale of the proteomics and immunology business units to Abcam PLC, Cambridge/UK and Abcam Inc. Boston/USA with effect from 1 January 2020 (hereinafter "Abcam Transaction") (specifically the genomics and DNA manufacturing businesses) into a separate legal entity and, secondly, the simplification of the corporate structure remaining after the Spin-off.

The corporate structure of 2invest AG, which formerly operated under the name 4basebio AG, thus changed significantly in the 2020 financial year as a result of the following transactions or events:

1. Sale of the proteomics and immunology businesses ("Abcam Transaction")
2. Spin-off of the business areas genomics and DNA production ("Spin-off")

3. Simplification of the corporate structure remaining after the Spin-off

Please refer to the supplementary information in the management report in section "B.a. Corporate structure and organisation".

Sale of the proteomics and immunology businesses ("Abcam Transaction")

On 2 January 2020, 2invest AG, formerly known as 4basebio AG, entered into a transaction with Abcam PLC, Cambridge/UK (London Stock Exchange: ABC; ISIN: GB00B6774699; AIM MTF) and Abcam Inc., Boston/USA - hereinafter "Abcam" - to sell its proteomics and immunology businesses for EUR 120 million in cash with effect from 1 January 2020 (hereinafter "Abcam Transaction"). The Extraordinary General Meeting convened on 19 December 2019 approved the Abcam Transaction and the change of name to 4basebio AG. The change of name from Expedeon AG to 4basebio AG was entered in the commercial register on 13 January 2020.

The Abcam Transaction included the sale and transfer of all shares in Expedeon Holdings Ltd, Cambridge/UK, a subsidiary of 2invest AG at that time (formerly: 4basebio AG; before: Expedeon AG). The transaction also included the following three subsidiaries of Expedeon Holdings Ltd, Cambridge/UK: Expedeon Ltd, Cambridge/UK, TGR BioSciences Pty. Ltd, Adelaide/Australia and Innova Biosciences Ltd, Cambridge/UK. Another subsidiary of Expedeon Holdings Ltd, Cambridge/UK, 4basebio Inc. (formerly: Expedeon Inc.), San Diego/USA, was transferred to 4basebio AG in preparation of the Abcam Transaction with effect from 30 December 2019 and was therefore not part of the Abcam Transaction. Nevertheless, certain inventories, customer contracts and fixed assets of the non-electrophoretic instruments were transferred from 4basebio Inc, San Diego/USA to Abcam with effect from 1 January 2020.

Spin-off of the business areas genomics and DNA production ("Spin-off")

With the approval of the Annual General Meeting on 3 November 2020 of the Spin-off and takeover agreement between 2invest AG, formerly operating under the name 4basebio AG, and 4basebio UK Societas (formerly operating under the name 4basebio SE; previously operating under the name Atrium 180. Europäische VV SE), Cambridge/UK (formerly: Düsseldorf/Germany), the business areas genomics and DNA production, which were operated by the two former wholly-owned subsidiaries 4basebio S. L. U. Madrid/Spain and 4basebio Ltd, Cambridge/UK, were made independent by transferring all shares in 4basebio S.L.U. and 4basebio Ltd to 4basebio UK Societas (formerly: 4basebio SE) with registered office in Cambridge/UK (formerly: Düsseldorf/Germany) by way of a Spin-off in accordance with the German Transformation Act (Abspaltung zur Aufnahme gemäß § 123 para. 2 no. 1 UmwG). The Spin-off became effective upon entry in the competent commercial register of the Company on 8 December 2020.

For the purpose of the transfer by way of Spin-off, the Company acquired 4basebio SE (formerly Atrium 180. Europäische VV SE) with its registered office in Düsseldorf, registered in the Commercial Register of the Local Court of Düsseldorf under HRB 87929, as the acquiring legal entity on 20 August 2020 (EUR 0.2 million). The registered office of 4basebio SE was transferred from Düsseldorf/Germany to Cambridge/UK in the course of the Spin-off. The transfer of the registered office became legally effective on 22 December 2020. On 1 January 2021, the company name was changed to 4basebio UK Societas.

Before the Spin-off became effective, 2invest AG, formerly operating under the name 4basebio AG, carried out a cash capital increase in the amount of EUR 4.3 million at the former 4basebio SE (now 4basebio UK Societas) in order to strengthen its equity base by acquiring a total of 3,575,242 new shares in 4basebio SE, Düsseldorf. After the capital increase, 2invest AG, formerly trading as 4basebio AG, held a total of 3,695,242 shares (and thus 100% of the shares at that time) in 4basebio SE, Düsseldorf.

In preparation for the Spin-off, 2invest AG, formerly 4basebio AG, carried out a capital increase against cash contributions of EUR 8.1 million at 4basebio Ltd, Cambridge/UK, in exchange for the issue of new shares in 4basebio Ltd, and made an additional payment of EUR 13.1 million to the capital reserves of 4basebio S.L.U., Madrid/Spain, in order to strengthen the equity of the subsidiaries to be spun off. The funds paid by 2invest AG to 4basebio Ltd and 4basebio S.L.U. in the total amount of EUR 21.2 million represented restructuring expenses in the amount of EUR 9.7 million. The companies were able to repay intercompany loans in the amount of EUR 10.7 million.

The enterprise value of the new group of companies created by the Spin-off and takeover, determined according to the capitalised earnings value method (Ertragswertverfahren), was estimated at EUR 16.0 million, of which EUR 4.5 million was attributable to the non-operating assets of 4basebio UK Societas (formerly: 4basebio SE), Cambridge/UK (formerly: Düsseldorf/Germany) and EUR 11.5 million to the intrinsic value of the operating unit 4basebio S.L.U., Madrid/Spain. No value was to be attributed to 4basebio Ltd, Cambridge/UK in this context, as this company was not operationally active at the time of the Spin-off. The payment made by 2invest AG, formerly 4basebio AG, into the capital reserves of 4basebio S.L.U., Madrid/Spain, was capitalised in the amount of EUR 11.5 million (and thus in the amount of the intrinsic value) on the previous book value of the investment and recognised as an expense in the amount of EUR 1.6 million. The capital increase made by 2invest AG, formerly operating under the name 4basebio AG, in 4basebio Ltd, Cambridge/UK was immediately expensed in full in the profit and loss statement of 2invest AG for the 2020 financial year (EUR 8.1 million), as the intrinsic value of 4basebio Ltd remains

unchanged at zero as a result of this capital increase. Even after the capital increase, this company is to be regarded as having no assets due to the lack of operating activities.

In order to carry out the Spin-off, 4basebio UK Societas, Cambridge/UK (formerly: Düsseldorf/Germany), which formerly operated under the name 4basebio SE, increased its share capital by EUR 8.6 million from EUR 3.7 million to EUR 12.3 million by issuing 8,622,231 no-par value registered shares. All shares issued by the former 4basebio SE, Düsseldorf are entitled to participate in profits from 1 January 2020. The new shares were allocated to the shareholders of 2invest AG, formerly 4basebio AG, as consideration for the Spin-off of 4basebio Ltd, Cambridge/UK and 4basebio S.L.U. , Madrid/Spain and reduced the capital reserve of 2invest AG accordingly by EUR 11.5 million.

In the Spin-off and takeover agreement, an allocation ratio of 6:1 was stipulated, i.e. for every six shares in 2invest AG, which formerly operated under the name 4basebio AG, one share in 4basebio SE, Düsseldorf (now 4basebio UK Societas, Cambridge/UK) was issued. Upon the Spin-off taking effect, approximately 70% of the shares in 4basebio UK Societas, Cambridge/UK are now held by the shareholders of 2invest AG, while the remaining approximately 30% are held directly by 2invest AG.

Simplification of the corporate structure remaining after the Spin-off

To simplify the corporate structure remaining after the Spin-off, on 11 December 2020 4basebio Inc. (formerly: Expedeon Inc.), San Diego/USA, a wholly-owned subsidiary of 2invest AG, formerly operating under the name 4basebio AG, Heidelberg, was liquidated. Furthermore, on 23 December 2020, 2invest AG withdrew as limited partner from 4basebio Bioscience GmbH & Co. KG, Heidelberg, as a result of which 4basebio Bioscience GmbH & Co. KG accrued to 4basebio Verwaltungs GmbH, Heidelberg. On the same day (i.e. 23 December 2020), the liquidation of 4basebio Verwaltungs GmbH, Heidelberg was resolved and filed with the registration court.

As of 31 December 2020, 2invest AG thus only controls 4basebio Verwaltungs GmbH i.L. (formerly: Expedeon Verwaltungs GmbH), Heidelberg, which is in liquidation and whose shares were reported in the balance sheet item "Shares in affiliated companies" with a memo value of EUR 1 as of this date and will still be held by the company until the end of the liquidation year. This subsidiary has no significant net assets and is therefore not material for the net assets, financial position and results of operations of 2invest AG, which previously operated under the name 4basebio AG.

Investments

2invest AG holds the following investments on the balance sheet date (31 December 2020):

Society	Seat	Currency	Capital share [in %]	in thousand	
				Equity 31.12.2020 [in LC]	Result FY 2020 [in LC]
4basebio UK Societas (formerly: 4basebio SE; before: Atrium 180. European VV SE)	Cambridge, UK (formerly: Düsseldorf, Germany)	GBP	30	15,393	-2,086

2. Current assets

Receivables and other assets

Receivables and other assets as at 31 December 2020 relate, on the one hand, to claims for cash held in an escrow account (TEUR 14,400) and, on the other hand, to VAT receivables (TEUR 291). The escrow assets are related to the Abcam Transaction and serve as security for guarantees and warranties granted to Abcam as part of the sale of the proteomics and immunology businesses. There are currently no known claims on the escrow assets by Abcam. The escrow assets will be released two years after the completion of the Abcam Transaction, i.e. on 1 January 2022.

Other securities

As part of its cash management strategy and to mitigate the impact of negative deposit interest on the cash balances held by the Company following the Abcam Transaction, 2invest AG invested in Drägerwerk Series D instruments (Genussscheine). On

24 March 2020, Drägerwerk AG & Co KGaA, Lübeck ("Drägerwerk ") announced its decision to repurchase all Series D profit participation certificates on 4 January 2023 for a total consideration of approximately EUR 310 million. The price is determined according to a weighted average price formula and has been quantified by Drägerwerk at EUR 546.20 per instrument with a view to this repurchase date. As a result, 2invest AG, formerly operating under the name 4basebio AG, acquired a total of 20,000 instruments at a price of EUR 512 per instrument on 3 and 6 July 2020. Subsequently, on 24 November 2020, 2invest AG acquired a further 17,329 instruments at a price of EUR 514 per instrument, resulting in an amortised cost of EUR 19,147 thousand as at 31 December 2020. These instruments are reported under other securities in current assets. This is on the basis of the Company's intention to hold them short-term. The Management Board continuously monitors the price development of the instruments and, depending on the price development, intends to sell the remaining instruments in the short term, i.e. before the repurchase by Drägerwerk on 4 January 2023.

Cash on hand and bank balances

This balance sheet item includes 2invest AG's cash and cash equivalents, consisting of TEUR 30,000 at Bethmann Bank, TEUR 16,286 at Barclays Bank and TEUR 885 at Deutsche Bank. The remainder of the liquid funds consists of cash on hand and balances with other credit institutions.

3. Prepaid expenses

Prepaid expenses amounted to TEUR 40 as at 31 December 2020 and comprise prepaid corporate expenses relating to the 2021 financial year.

4. Equity

Please refer to the explanations in section "F. Notes to the statement of changes in equity".

5. Provisions

As at 31 December 2020, there are tax provisions in the amount of TEUR 0. Other provisions amount to TEUR 605 as at 31 December 2020 and mainly consist of provisions for the risk of irrecoverable input tax refunds (TEUR 291), remuneration of the Supervisory Board (TEUR 147), costs of holding the Annual General Meeting (TEUR 101), auditing and tax consultancy costs (TEUR 45) and outstanding invoices (TEUR 20).

6. Liabilities

Liabilities from deliveries and services

The trade payables (TEUR 439) have a remaining term of up to one year.

Other liabilities

Other liabilities consist mainly of wage and salary payments (TEUR 15) and have a remaining term of up to one year.

D. Notes to the profit and loss statement

7. Revenues

In the 2020 financial year, sales revenues amounted to TEUR 69 and resulted from the charging on of management services provided by 2invest AG, which previously operated under the name of 4basebio AG, to subsidiaries at that time.

8. Other operating income

Other operating income amounted to TEUR 68,354 in the 2020 financial year and resulted mainly from the net gain on the Abcam Transaction, i.e. the sale of the proteomics and immunology businesses to Abcam with effect from 1 January 2020.

9. Amortisation of intangible assets and depreciation of property, plant and equipment

Amortisation of intangible assets and depreciation of property, plant and equipment amounted to TEUR 11 in the 2020 financial year and is exclusively attributable to scheduled depreciation.

10. Other operating expenses

The other operating expenses of TEUR 12,013 incurred in the 2020 financial year mainly include the restructuring expenses (TEUR 9,707) incurred in the context of the Spin-off. Please refer to the corresponding explanations in section "C.1. Fixed assets" under subheading "Spin-off of the business areas genomics and DNA production". The remaining other operating expenses of TEUR 2,306 consist mainly of legal and consulting costs (TEUR 825), costs for auditing the annual financial statements and for tax advice (TEUR 382), costs for holding the Annual General Meeting and preparing the annual report (TEUR 130), other costs for marketing and investor relations (TEUR 213), remuneration for the Management Board and Supervisory Board (TEUR 375) and write-offs (TEUR 211).

11. Other interest and similar income and interest and similar expenses

The interest and similar expenses of TEUR 1,220 incurred in the 2020 financial year mainly relate to interest expenses concerning the convertible bond of 25 April 2018 (TEUR 743) as well as the cash settlement for former shareholders of TGR BioSciences Pty. Ltd, Adelaide/Australia based on the relevant earn-out agreement in connection with the company acquisition in May 2018 (TEUR 150) and the cash settlement of an option previously held by a lender (TEUR 327).

12. Write-down of financial assets

Write-downs of financial assets amounted to TEUR 28 in the financial year and were related to the liquidation of 4basebio Verwaltungs GmbH i.L., Heidelberg, which was resolved on 23 December 2020 and filed with the registration court, and which has no significant assets. Reference is made to the corresponding statements in section "C.1. Fixed assets" under subheading "Simplification of the corporate structure remaining after the Spin-off".

E. Notes to the cash flow statement

Cash and cash equivalents consists exclusively of cash and bank balances and corresponds to the balance sheet item "Cash in hand and bank balances".

F. Notes to the statement of changes in equity

Subscribed capital

The share capital of 2invest AG amounted to EUR 51,733,386 as at 31 December 2020 and consists of 51,733,386 no-par value registered shares with a notional interest in the share capital of EUR 1 per share. There are only ordinary shares with voting rights. There are no holders of shares with special rights or other restrictions on voting rights.

On 24 January 2020, the Company initiated an open offer to purchase up to 2,056,452 treasury shares at a price range of EUR 1.60 to EUR 1.85. On 14 February 2020, 2invest AG increased the buyback offer to 5,230,726 treasury shares at a price of EUR 1.85 per share (in total TEUR 9,677). On 20 April 2020, the Company announced the cancellation of these shares, which was

entered into the commercial register on 14 May 2020. This resulted in a reduction of the share capital by TEUR 5,231 to TEUR 47,079 and a reduction of the capital reserve by TEUR 4,446.

The share purchase agreement (dated 15 March 2018) of TGR BioSciences Pty Ltd, Adelaide/Australia ("TGR BioSciences"), which was acquired with effect from 2 May 2018 (acquisition date), included an earn-out agreement pursuant to which up to 1,612,638 shares of the Company were to be issued to former shareholders of TGR BioSciences under a mandatory convertible loan, subject to the achievement of certain revenue targets. Although this mandatory convertible loan had not been repaid by 1 January 2020, the performance targets defined in this earn-out agreement were deemed to have been met upon completion of the Abcam Transaction. Through corresponding conversion, the following shares were issued during the 2020 financial year: 723,392 shares on 28 February 2020, 723,405 shares on 30 April 2020, 151,018 shares on 31 August 2020 and 14,823 shares on 17 September 2020. The conversion resulted in a total increase in share capital from Conditional Capital V of TEUR 1,612 and a reduction in capital reserves of TEUR 806.

With regard to the convertible bond of 25 April 2018, the holders of 2,000 convertible bonds with a nominal value of EUR 1,000 each exercised their right to convert these bonds into ordinary shares of the Company on 15 September 2020. The bonds bore interest at a rate of 6.3% and were converted into shares at the fixed price of EUR 1.40 per share. As a result, the Company issued 1,613,070 shares. The shares were issued on 31 August 2020. Upon entry in the commercial register on 13 October 2020, this led to an increase in share capital from conditional capital 2018/II of TEUR 1,613 and an increase in the capital reserve of TEUR 645.

In accordance with the terms and conditions of the aforementioned convertible bond, the holders also confirmed on 14 August 2020 their intention to exercise all options additionally issued under the convertible bond for a further 1,428,560 shares at a price of EUR 1.40 per share, with issue proceeds of TEUR 2,000 being paid to the Company at that time. Upon entry in the commercial register on 13 October 2020, this led to an increase in the share capital from conditional capital 2018/II by TEUR 1,429 to now TEUR 51,733 and to an increase in the capital reserve by TEUR 571.

Capital reserve

The capital reserve decreased in the 2020 financial year by TEUR 15,546 to TEUR 321,578 as at 31 December 2020. Due to the Spin-off of the two wholly-owned subsidiaries 4basebio Ltd, Cambridge/UK and 4basebio S.L.U., Madrid/Spain, through which the genomics and DNA production business areas were operated, the capital reserve decreased by TEUR 11,511. Please refer to the detailed explanations in section "C.1. Fixed assets" under subheading "Spin-off of the Genomics and DNA Production Business Units". Furthermore, the capital reserve decreased by TEUR 4,446 due to the share buyback programme initiated by the company at the beginning of the 2020 financial year and entered in the commercial register in May 2020. In addition, the capital reserve decreased by TEUR 806 in the 2020 financial year due to the issue of shares from Conditional Capital V to the former shareholders of TGR BioSciences Pty. Ltd, Adelaide/Australia based on the relevant earn-out agreement in connection with the company acquisition in May 2018. Conversely, the capital reserve increased due to the premium added to the capital reserve in connection with the exercise of the conversion rights provided for in the convertible bond of 25 April 2018 and associated option rights in September 2020 totalling TEUR 1,217.

Authorised capital

By resolution of the Annual General Meeting of 5 July 2018, the then authorised capital was cancelled and new authorised capital in the amount of EUR 25,561,278 (Authorised Capital 2018) was created. The Management Board was authorised by the Annual General Meeting to issue the following new shares or conversion or option rights:

Pursuant to Article 4 (4) of the Articles of Association of the Company, the Management Board is authorised, with the consent of the Supervisory Board, to increase the share capital of the Company by a total of EUR 25,561,278 by issuing new no-par value ordinary registered shares from the Authorised Capital 2018 against cash and/or non-cash contributions on one or more occasions up to and including 4 July 2023. The Management Board may, with the consent of the Supervisory Board, exclude the shareholders' statutory subscription right

- to the extent necessary to avoid fractional amounts;
- to grant shares against contributions in kind;
- to the extent necessary to protect against dilution, to grant the holders of convertible bonds and/or bonds with warrants, convertible bonds or warrants a subscription right to new shares to the extent to which the holders would be entitled after exercising their conversion or option rights or after fulfilling a conversion obligation; or
- in the event of a capital increase against cash contributions, if the proportion of the share capital represented by the new shares for which the subscription right is excluded does not exceed 10% of the share capital registered at the time the authorisation* becomes effective and at the time the authorisation is exercised, and the issue price of the new shares is not significantly lower than the stock exchange price of the existing listed shares of the same class.

(*) The authorisation for the Authorised Capital 2018 became effective on 24 October 2018 by entry in the Commercial Register. The share capital amounted to EUR 51,411,323 at that time.

As at 31 December 2020, the Management Board had not yet made use of this authorisation. Authorised capital totalling EUR 25,561,278 was thus available.

Conditional capital

Pursuant to Article 4 (5) of the Articles of Association of the Company, the Management Board is authorised, with the consent of the Supervisory Board, to increase the share capital of the Company by a total of EUR 1,000,000 by issuing up to 1,000,000 new registered no-par value ordinary shares from the conditional capital 2019. The conditional capital increase from the conditional capital 2019 will only be carried out to the extent that the holders of share options issued by the Company on the basis of the authorisation resolved by the General Meeting of 7 July 2017 (share option plan 2019), as amended by the General Meeting of 9 July 2019, up to and including 6 July 2024, exercise their subscription rights and the Company does not grant any of its own shares, from existing or newly created authorised capital, and does not opt for a cash settlement. The new ordinary registered shares resulting from the exercise of these subscription rights are entitled to dividends from the beginning of the financial year for which, on the date of issue of the shares, no resolution of the General Meeting on the appropriation of the balance sheet profit has yet been adopted. No use had yet been made of the conditional capital 2019 as at 31 December 2020.

Pursuant to Article 4 (6) of the Articles of Association of the Company, the share capital is conditionally increased by up to EUR 4,000,000 by issuing up to 4,000,000 ordinary registered shares (Conditional Capital 2018/I).

The conditional capital increase from the conditional capital 2018/I will only be carried out to the extent that the holders of share options issued by the Company on the basis of the authorisation resolved by the General Meeting on 7 July 2017 (share option plan 2017) with the amendments pursuant to the General Meeting resolution of 5 July 2018 up to and including 6 July 2022 make use of their subscription rights and the Company does not grant any of its own shares or shares from the existing or newly created authorised capital and also does not decide to pay a cash settlement. The new shares are entitled to profits from the beginning of the financial year for which, at the time of the issue of the shares, no resolution of the General Meeting on the appropriation of the balance sheet profit has yet been passed. No use had yet been made of the conditional capital 2018/I as at 31 December 2020.

Pursuant to § 4 para. 7 of the Articles of Association of the Company, the share capital was conditionally increased by up to EUR 18,000,000 by issuing up to 18,000,000 ordinary registered shares (Conditional Capital 2018/II). The conditional capital increase will only be implemented to the extent that the holders of warrant or convertible bonds issued on the basis of the authorisation resolved by the General Meeting on 5 July 2018 exercise their option or conversion rights or, to the extent that they are obliged to convert convertible bonds, fulfil their obligation to convert their convertible bonds and the Company does not grant treasury shares or shares from existing or newly created authorised capital and does not opt for a cash settlement. The new shares are entitled to profits from the beginning of the financial year for which, at the time of the issue of the shares, no resolution has yet been passed by the General Meeting on the appropriation of the balance sheet profit. In the 2020 financial year, 3,041,630 subscription shares were issued from the conditional capital 2018/II, so that it amounts to EUR 14,958,370 as at 31 December 2020.

Pursuant to § 4 para. 9 of the Articles of Association of the Company, the share capital was conditionally increased by up to EUR 1,650,000 by issuing up to 1,650,000 ordinary registered shares (Conditional Capital V). The conditional capital increase will only be implemented to the extent that the holders of option or convertible bonds issued on the basis of the authorisation resolved by the General Meeting on 20 June 2016 exercise their option or conversion rights or, to the extent that they are obliged to convert convertible bonds, fulfil their obligation to convert their convertible bonds and the Company does not grant treasury shares or shares from existing or newly created authorised capital and does not opt for a cash settlement. The new shares are entitled to profits from the beginning of the financial year for which, at the time the shares are issued, no resolution has yet been passed by the General Meeting on the appropriation of the balance sheet profit. In the 2020 financial year, 1,612,638 subscription shares were issued from the conditional capital V, so that it amounts to EUR 37,362 as at 31 December 2020.

G. Other information

13. Appropriation of earnings

The Management Board proposes to offset the net profit for the year against the loss carried forward.

14. Employees

In the 2020 financial year, the company had an annual average of two employees. This figure does not include the Management Board.

15. Governing bodies

Members of the Management Board

- **Hansjörg Plaggemars**, Management Board, appointed on 1 December 2020 until 31 December 2022

On 30 December 2020, both Dr Heikki Lanckriet, member of the Management Board since 2016, and David Roth, member of the Management Board since 2017, resigned from the Management Board.

Remuneration of the members of the Management Board

The total remuneration of the members of the Management Board amounted to TEUR 4,555 in the financial year 2020 and was mainly paid by a former subsidiary. The new Management Board member Hansjörg Plaggemars did not receive a salary or other remuneration from 2invest AG in the 2020 financial year. There are no pension commitments for any current or former members of the Management Board. Individualised information on the remuneration of the Management Board is presented in the remuneration report, which is part of the management report.

Members of the Supervisory Board

- **Joseph M. Fernández**, (until 28 January 2021, *Chairman of the Supervisory Board until 15 January 2021*)
Chairman of the *Board of Active Motif Inc*, Carlsbad, California/USA
- **Dr Trevor Jarman** (until 3 November 2020)
Independent entrepreneur, Cambridge/UK
- **Tim McCarthy** (until 3 November 2020)
Chairman of the Board of Unnamed Ltd, Cambridge/UK
- **Peter Llewellyn-Davies** (until 28 January 2021)
Chairman of the Board and Chief Financial Officer of APEIRON Biologics AG, Vienna/Austria
- **Pilar de la Huerta** (until 3 November 2020)
Chairwoman of the Board of ADL BioPharma, Madrid/Spain
- **Hansjörg Plaggemars** (until 29 November 2020)
Management consultant, Stuttgart/Germany
- **Alexander Link** (since 29 November 2020, *Chairman of the Supervisory Board from 15 January 2021*)
Chief Financial Officer, Deutsche Balaton Aktiengesellschaft, Heidelberg/Germany
- **Eva Katheder** (since 28 January 2021, *Deputy Chairwoman of the Supervisory Board*)
Self-employed management consultant, Bad Vilbel/Germany
- **Dr Rainer Herschlein** (since 28 January 2021)
Lawyer, Heuking Kühn Lüer Wojtek, Stuttgart/Germany

Remuneration of the members of the Supervisory Board

The total remuneration of the members of the Supervisory Board amounted to TEUR 173 in the 2020 financial year. Individualised information on the remuneration of the Supervisory Board as well as the other memberships of Supervisory Board members in other statutory supervisory boards and comparable domestic and foreign supervisory bodies (§ 125 para. 1 sentence 5 AktG) are presented in the remuneration report, which is part of the management report.

16. Transactions with related parties

During the 2020 financial year, no transactions were conducted with related parties at conditions not in line with the market.

17. Fees and services of the auditor

The shareholders of 2invest AG, formerly known as 4basebio AG, elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Mannheim, as auditor of 2invest AG for the financial year 2020 at the Annual General Meeting on 17 June 2020. The total fees for the auditor within the meaning of Section 285 No. 17 HGB for the financial year ending 31 December 2020 amounts to TEUR 91. Of this amount, TEUR 45 is for auditing services and TEUR 46 for tax consulting services.

18. Contingent liabilities and other financial obligations

As at the balance sheet date of 31 December 2020, there were neither material contingent liabilities nor material other financial obligations.

19. Declaration of Conformity pursuant to § 161 AktG

The Management Board and the Supervisory Board of 2invest AG have issued the Declaration of Conformity with the recommendations of the German Corporate Governance Code (DCGC) pursuant to Section 161 of the German Stock Corporation Act (Section 285 No. 16 of the German Commercial Code) and made it available to the shareholders. The complete declaration is permanently accessible on the company's homepage (<https://2invest-ag.com>). The declarations of conformity of the last financial years are also available there.

20. Dependency Report

The Management Board has prepared a report on relations with affiliated companies in accordance with § 312 of the German Stock Corporation Act (AktG).

21. Consolidated Financial Statements

2invest AG is controlled by Deutsche Balaton Aktiengesellschaft, Heidelberg (see section "22. Disclosures pursuant to Section 160 (1) No. 8 AktG") and included in its consolidated financial statements for the first time in the 2020 financial year. Deutsche Balaton Aktiengesellschaft prepares the consolidated financial statements for both the smallest and the largest group of companies. The consolidated financial statements are available at the registered office of Deutsche Balaton Aktiengesellschaft in Heidelberg and are published in the Federal Gazette.

22. Information pursuant to § 160 para. 1 no. 8 AktG

Voting rights notification pursuant to section 40 (1) WpHG of 1 July 2020

- Mr Joseph M. Fernandez, has notified us pursuant to section 33 (1) WpHG that his percentage of voting rights in 2invest AG, Heidelberg, amounted to 5.54% (corresponding to 2,689,469 voting rights) on 1 July 2020. 4.99% of the voting rights were attributed to Mr Joseph M. Fernandez pursuant to section 34 para. 1 sent. 1 no. 1 WpHG. Attributed voting rights are held via the following company controlled by him, whose voting rights in 2invest AG amount to 3% or more: Fernandez Family Trust.

Voting rights notification pursuant to section 40 (1) WpHG of 8 October 2020

- Mr Franciscus De Busschere, has notified us pursuant to section 33 (1) WpHG that his share of voting rights in 2invest AG, Heidelberg, fell below the threshold of 3.0% on 8 October 2020 and amounted to 2.90% (representing 1,499,448 voting rights) on that day.

Voting rights notification pursuant to section 40 (1) WpHG of 9 October 2020

- Mr Heikki Lanckriet, has notified us pursuant to section 33 (1) WpHG that his share of voting rights in 2invest AG, Heidelberg, fell below the threshold of 3.0% on 9 October 2020 and amounted to 2.72% (representing 1,409,081 voting rights) on that day.

Voting rights notification pursuant to section 40 (1) WpHG of 28 October 2020

- Mr Wilhelm Konrad Thomas Zours has notified us pursuant to section 33 (1) WpHG that his percentage of voting rights in 2invest AG, Heidelberg, amounted to 46.37% (corresponding to 23,989,722 voting rights) on 28 October 2020. 46.37% of the voting rights are to be attributed to Wilhelm Konrad Thomas Zours pursuant to section 34 para. 1 sent. 1 no. 1 WpHG. Attributed voting rights are held by the following companies controlled by him, whose voting rights in 2invest AG amount to 3% or more: Deutsche Balaton Aktiengesellschaft, Sparta AG, Delphi Unternehmensberatung Aktiengesellschaft.

23. Supplementary report

On 3 November 2020, an Extraordinary General Meeting of 2invest AG, formerly known as 4basebio AG, resolved a capital reduction in the ratio of 9:1, which was entered in the competent commercial register on 9 February 2021, so that the Company's share capital was reduced by 45,985,232 shares from 51,733,386 no-par value shares to 5,748,154 no-par value shares on that date.

On 28 January 2021, an Extraordinary General Meeting approved the change of name from 4basebio AG to 2invest AG as well as the change of business purpose to that of an investment company and further amendments to the Articles of Association. The changes were entered in the relevant commercial register on 25 March 2021.

Heidelberg, 29 April 2021

Hansjörg Plaggemars

Management Board

Appendix

Schedule of Investments of 2invest AG (formerly: 4basebio AG), Heidelberg

[in TEUR]	Acquisition and production costs				Accumulated amortization				Book value	
	01.01.2020	Additions	Disposals	31.12.2020	01.01.2020	Additions	Disposals	31.12.2020	31.12.2019	31.12.2020
I. Intangible assets										
Acquired for consideration: concessions, commercial property rights and similar rights and assets and licences to such rights and assets	1,460	0	0	1,460	1,442	8	0	1,450	18	9
II. Property, plant and equipment										
Other equipment, Operating and office equipment	432	6	0	438	430	3	0	433	2	5
III. Financial investments										
1. Shares in affiliated companies	146,066	11,206	-157,244	28	120,248	28	-120,248	28	25,818	0
2. Loans to affiliated companies	3,714	19,591	-23,305	0	3,714	0	-3,714	0	0	0
3. Investments	0	4,497	0	4,497	0	0	0	0	0	4,497
	149,780	35,293	-180,549	4,524	123,962	28	-123,962	28	25,818	4,497
	151,672	35,299	-180,549	6,422	125,834	39	-123,962	1,911	25,838	4,511

Reproduction of the audit opinion

We issued the following audit opinion on the financial statements, the management report and the ESEF documents:

"Independent Auditor's Report

To: 2invest AG

Report on the audit of the annual financial statements and the management report

Audit Opinions

We have audited the annual financial statements of 2invest AG, Heidelberg, which comprise the balance sheet as of 31 December 2020, the profit and loss statement, cash flow statement and statement of changes in equity for the financial year from 1 January to 31 December 2020, and the notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we audited the management report of 2invest AG for the financial year from 1 January to 31 December 2020. We have not audited the content of the corporate governance statement pursuant to Section 289f of the German Commercial Code (HGB) published on the website indicated in the management report, which is part of the management report, as well as the statements on the corporate governance statement pursuant to Section 289f (4) of the German Commercial Code (HGB) contained in section 9. of the management report, in accordance with German legal requirements.

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

- the accompanying annual financial statements comply in all material respects with the requirements of German commercial law applicable to business corporations and give a true and fair view of the net assets and financial position of the Company as at 31 December 2020 and of its financial performance for the financial year from 1 January to 31 December 2020 in compliance with German legally required accounting principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not extend to the content of the aforementioned corporate governance statement or to the comments contained in section 9. of the management report.

Pursuant to Sec. 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the opinions

We conducted our audit of the annual financial statements and the management report in accordance with Sec. 317 HGB and in compliance with the EU Regulation on Auditors (No. 537/2014; hereinafter "EU-APrVO") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer

[Institute of Public Auditors in Germany] (IDW). Our responsibility under those requirements and principles are - further described in the "Auditor's responsibilities for the audit of the annual financial statements and the management report" section of our auditor's report. We are independent of the Company in accordance with European law as well as German commercial law and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. Furthermore, in accordance with Article 10 (2) (f) EU-APrVO, we declare that we have not performed any prohibited non-audit services in accordance with Article 5 (1) EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and the management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the fiscal year ended 31 December 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

In the following, we describe the audit matters that we consider to be key audit matters:

Sale of the Immunology and Proteomics Businesses

Reasons for designation as a key audit matter

The legal representatives of 2invest AG have agreed on the sale of the immunology and proteomics businesses to Abcam Plc, Cambridge/United Kingdom, by way of an agreement dated 11 November 2019, subject to shareholder approval. Shareholder approval was given at the Extraordinary General Meeting on 19 December 2019. On 2 January 2020, 2invest AG entered into the transaction with Abcam Plc for the sale of the immunology and proteomics businesses for EUR 120m in cash, effective 1 January 2020. The agreement included the sale and transfer of all shares in Expedeon Holdings Ltd, Cambridge/United Kingdom, including its subsidiaries. In addition, the assets of the non-electrophoresis instrument business were transferred from 4basebio Inc, San Diego, California/USA, to Abcam Inc, Cambridge, Massachusetts/USA, with effect from 1 January 2020 as part of this transaction. We determined this matter to be a key audit matter because the immunology and proteomics businesses had been the most significant part of the former group's business and the transaction has a significant impact on all components of the financial statements.

Auditor's response

The focus of our audit procedures was the accounting for the sale of the immunology and proteomics businesses as well as the related disclosures in the notes and the presentation in the management report. For the accounting, we evaluated the underlying business processes and performed audits of individual items. The audit procedures included, among others, the reconciliation of the gross sales price with the sales agreement and of the net assets disposed of with the closing balance sheet. In addition, we discussed the assumptions for the accrual and valuation

of the assets and liabilities disposed of with the legal representatives of the Company, traced them on the basis of the underlying contracts and compared them with the valuations from previous periods. We reconciled the escrow assets recognized in connection with the receipt of the cash consideration as at 31 December 2020 on the basis of a third-party confirmation. In addition, we assessed the information in the notes and in the management report.

Our audit procedures did not lead to any qualifications regarding the accounting for the sale of the immunology and proteomics businesses, the related disclosures in the notes and the presentation in the management report.

Reference to related information

For the accounting and valuation principles applied to the shares in affiliated companies and the other operating income resulting from the sale, please refer to the information in the notes.

Spin-off of 4basebio S.L.U., Madrid/Spain and 4basebio Ltd, Cambridge/United Kingdom

Reasons for designation as a key audit matter

The legal representatives of 2invest AG agreed on the spin-off of the shareholdings in the two former subsidiaries 4basebio S.L.U., Madrid/Spain and 4basebio Ltd., Cambridge/United Kingdom, through which the genomics and DNA production business was operated, to 4basebio SE, Düsseldorf (now 4basebio UK Societas, Cambridge/United Kingdom) by way of a spin-off and takeover agreement dated 29 September 2020, subject to the approval of the shareholders. We have determined this matter to be a key audit matter as the spin-off has a significant impact on all components of the financial statements.

Auditing procedure

The focus of our audit procedures was the accounting of the spin-off of the investments in 4basebio S.L.U. and 4basebio Ltd. as well as the related disclosures in the notes and the presentation in the management report. For the accounting, we evaluated the underlying corporate processes and carried out audits of individual items. The audit procedures included, among other things, the assessment of compliance with the provisions of company and conversion law regarding the spin-off, an analysis of the spin-off and takeover agreement and its discussion with the legal representatives of the Company in order to assess the accounting effects of the spin-off as well as the assessment of the accounting treatment of the capital contributions made in this context by 2invest AG to 4basebio S.L.U., 4basebio Ltd. and 4basebio SE (now 4basebio UK Societas, Cambridge/United Kingdom). In addition, we have assessed the information in the notes and in the management report.

Our audit procedures did not lead to any reservations relating to the accounting of the spin-off of the shareholdings in 4basebio S.L.U., Madrid/Spain and 4basebio Ltd, Cambridge/United Kingdom, the related disclosures in the notes and the presentation in the management report.

Reference to related information

For the accounting and valuation principles applied to the shares in companies in which interests are held, please refer to the information in the notes.

Other information

The Supervisory Board is responsible for the Report of the Supervisory Board pursuant to § 171 para. 2 AktG. The legal representatives and the Supervisory Board are responsible for the declaration pursuant to section 161 AktG [“Aktengesetz”: German Stock Corporation Act] on the German Corporate Governance Code, which is part of the corporate governance declaration. In all other respects, the legal representatives are responsible for the other information. The other information consists of the above-mentioned corporate governance statement as well as the explanations on the corporate governance statement contained in section 9. of the management report. In addition to that, the other information includes other components of the annual report, of which we have obtained a version by the time of issuing this auditor's report, in particular:

- the report of the supervisory board pursuant to Sec. 171 para. 2 AktG and
- the balance sheet oath pursuant to Sec. 264 para. 2 p. 3 HGB and Sec. 289 para. 1 p. 5 HGB

but not the financial statements, not the management report disclosures included in the audit of content and not our auditor's report.

Our opinions on the financial statements and management report do not cover the other information and, consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility to read the other information and, in doing so, consider whether the other information is

- materially inconsistent with the annual financial statements, the management report or our knowledge obtained in the audit; or
- otherwise appear to be materially misstated.

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

The legal representatives are responsible for the preparation and fair presentation of these financial statements that comply with German principles of proper accounting and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In addition, the legal representatives are responsible for such internal control as they have determined necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the legal representatives are responsible for assessing the entity's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. Furthermore, they are responsible for preparing the financial statements on the basis of the going concern principle, unless this is precluded by factual or legal circumstances.

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

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

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

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides a suitable view of the Company's position and is consistent, in all material respects, with the annual financial statements and the knowledge obtained in the audit, complies with German legal requirements and appropriately presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinion on the annual financial statements and the management report.

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

During the audit, we exercise professional judgement and maintain professional skepticism. Furthermore we

- Identify and assess the risks of material misstatement of the annual financial statements and management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting material misstatements is higher for noncompliance than for misstatement, as noncompliance may involve fraud, forgery, intentional omissions, misleading representations, or the override of internal controls;
- Obtain an understanding of internal control system relevant to the audit of the financial statements and of the arrangements and actions relevant to the audit of the management report in order to design audit

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those systems of the Company;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of the going concern basis of accounting used by management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements and the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company being unable to continue as a going concern;
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting;
- Evaluate the consistency of the management report with the financial statements, its conformity with [German] law, and the view of the Company's position it provides;
- Perform audit procedures on the prospective information presented by the legal representatives in the management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events may differ materially from the prospective information.

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

We also provide those charged with governance that we have complied with the relevant independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and the safeguards that have been put in place to address them.

From the matters we communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure of the matter.

Other legal and regulatory requirements

Report on the assurance in accordance with Sec 317 (3b) HGB on the electronic reproductions of the annual financial statements and the management report prepared for publication purposes

Opinion

We have performed assurance work in accordance with 317 (3b) of the German Commercial Code (HGB), to obtain reasonable assurance about whether the reproductions of the annual financial statements and the management report (hereinafter also referred to as "ESEF documents") contained in the attached electronic file 2invest AG_Jahresabschluss_2020.zip and prepared for the purpose of disclosure comply in all material respects with the requirements of Section 328 (1) of the German Commercial Code regarding the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor to any other information contained in the abovementioned electronic file.

In our opinion, the reproduction of the annual financial statements and the management report contained in the aforementioned attached electronic file and prepared for publication purposes complies in all material respects with the electronic reporting format requirements of section 328 (1) HGB. We do not express any opinion on the information contained in these reproduction nor on any other information contained in the above-mentioned file beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from 1 January to 31 December 2020 contained in the preceding "Report on the audit of the annual financial statements and management report".

Basis for the opinion

We conducted our assurance work on the reproductions of the annual financial statements and the management report contained in the above-mentioned attached electronic file in accordance with Section 317 (3b) HGB and in compliance with the Exposure draft of IDW Assurance Standard: Assurance on the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purpose of Disclosure pursuant to Section 317 (3b) HGB (IDW EPS 410). Our responsibility thereunder are further described in the section "Auditor's Responsibilities for the assurance work on the ESEF Documents". Our audit firm applied standards of the quality assurance system set forth in IDW Quality Control Standard: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis [Requirements for Quality Control in the Practice of Public Auditors] (IDW QS 1).

Responsibilities of the legal representatives and the Supervisory Board for the ESEF documents

The legal representatives of the Company are responsible for the preparation of the ESEF documents including the electronic reproductions of the annual financial statements and the management report in accordance with section 328 (1) sentence 4 no. 1 HGB.

Furthermore, the Company's legal representatives are responsible for the internal controls as they deem necessary to enable the preparation of the ESEF documents that are free from material non-compliance, whether due to fraud or error, with the electronic reporting format requirements of section 328 (1) HGB.

The Company's legal representatives are also responsible for the submission of the ESEF documents together with the auditor's report and the attached audited annual financial statements and audited management report as well as other documents to be published to the operator of the Bundesanzeiger [German Federal Gazette].

The Supervisory Board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the assurance work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance, whether due to fraud or error, with the requirements of section 328 (1) HGB. During the audit, we exercise professional skepticism throughout the engagement. We also

- Identify and assess the risks of material non-compliance with the requirements of section 328 (1) HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion;
- Obtain an understanding of internal control relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those controls;
- Evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of Delegated Regulation (EU) 2019/815, as amended at the reporting date, for the technical specification for that file;
- Evaluate whether the ESEF documents provide a consistent XHTML representation of the audited financial statements and the audited management report.

Further information pursuant to Article 10 EU-APrVO

We were elected as auditors by the Annual General Meeting on 17 June 2020. We were engaged by the Supervisory Board on 31 October 2020. We have been the auditor of 2invest AG without interruption since the 2002 financial year.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 EU-APrVO (long-form audit report).

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Uwe Kaschub. “

Mannheim, 29 April 2021

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Kaschub
Wirtschaftsprüfer
[German Public Auditor]

Reiter
Wirtschaftsprüfer
[German Public Auditor]