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**15/02/2018 – GBC Management interview with Juan Rodriguez,  
Member of Executive Board of FinLab AG**Company: FinLab AG<sup>5a,5b,6a,11</sup>

ISIN: DE0001218063

Analyst: Cosmin Filker

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*\*catalogue of potential conflicts of interests on page 5*

**FinLab AG acts as a company builder and investor with a special focus on fintech business models. In addition to the establishment of fintech start-ups, FinLab AG focuses on investments in fintech companies in the form of risk capital (seed financing or follow-on financing). Several investments were made in the past financial year, and important milestones were reached in existing investments. GBC-analyst Cosmin Filker spoke with a member of FinLab’s Executive Board about the successful development in 2017 and the future potential of the company.**

**GBC AG: Mr Rodriguez, in 2017 you made two new investments in the area of cryptocurrencies. Specifically, you acquired a 25% participation in the Bitcoin/gold platform Vaultoro Ltd. and a 20% participation in the Frankfurt-based ICO and token launch accelerator Iconiq Lab Holding GmbH. Can you describe these two investments in more detail?**

**Juan Rodriguez:** With Vaultoro, we offer the world’s fastest and most cost-effective way to purchase physical gold using Bitcoin and store it with a renowned partner in Switzerland. This allows investors to secure their deposits outside of the banking system without these physical investments losing liquidity. The goal is for investors to be able to secure their deposits with gold and Bitcoin using Vaultoro’s online vaulting app and a debit card secured by gold and to spend them in any currency in real time. Apart from the debit card, there will soon be the option of trading other precious metals such as silver and platinum on the platform. Other cryptocurrencies such as Ethereum are also to be included for the purchase of precious metals.

Iconiq Lab is an accelerator platform which offers full services for crypto, blockchain and token start-ups. For selected companies, Iconiq Lab will provide the seed capital and expertise for the implementation of their own ICO or token launch. Iconiq Lab and its partners offer competent services and digital learning modules on topics such as ‘tokenisation’, legal aspects of the ICO, best practices for marketing an ICO and connections to the most important investors in the crypto sector. The start-ups involved in the programme are given the best opportunity to place their own token or ICO, while the programme also ensures a very high-quality ICO for potential investors as only companies that fulfil Iconiq Lab’s high standards and develop a sustainable business model in particular are accepted onto the programme.

Iconiq Lab will soon offer its own token, the ICNQ, to finance the accelerator programme. The required white paper is currently being reviewed by BaFin. By purchasing the token

and therefore becoming members, investors in the ICNQ will receive access to all ICOs developed in the accelerator programme at the best possible preferential conditions.

**GBC AG: How can FinLab AG help the new investments to operate in the current trend environment?**

**Juan Rodriguez:** In addition to our role as a capital provider (and therefore investor), we are company builders and incubators so we support our investments with a wide range of day-to-day business issues. This especially includes support in looking for and negotiating with suitable candidates, i.e. HR support, as well as accounting support, support in targeting investors, preparing the pitch deck, modelling the business plan and, last but not least, support with legal documents such as participation agreements. Generally, we support companies from A-Z and compare notes with the respective counterpart, if not on a daily basis, then at least once a week.

**GBC AG: You also recently announced a new investment in Galaxy Digital Holdings Ltd., a company founded by Mike Novogratz. What potential do you see in this investment?**

**Juan Rodriguez:** When FinLab was launched, it was part of our strategy to also invest in selected funds and other incubators focusing on fintech, preferably in the United States and Asia. The investment in Galaxy Digital corresponds exactly to this strategy and idea as we are investing in a professional, particularly institutional, global network in the crypto and blockchain universe.

FinLab and Galaxy Digital have the same investment focus. The investment in Galaxy Digital therefore underpins a strategic partnership that focuses on the collective use of co-investments, among other things.

**GBC AG: In addition to the new investments, your existing investments have also developed successfully. Indicative of this is Deposit Solutions GmbH, for which a new round of financing was recently completed successfully. Deposit Solutions has since been able to broker deposits amounting to almost EUR 4 billion. What are the reasons for this success?**

**Juan Rodriguez:** When we invested in Deposit Solutions in September 2015, the start-up aimed to develop the leading open banking platform for deposits, connecting banks and savers from across Europe. At the time we invested, Deposit Solutions had a brokerage volume of less than EUR 25 million. Today, two and a half years later, they have brokered savings deposits of over EUR 4 billion. We have also connected banks from 16 countries on the platform, which translates into a reach of over 25 million savers. Deposit Solutions now brings together a top team of approximately 200 experts in its field.

Success factors most certainly include the fact that Deposit Solutions began to focus on savings deposits early on. In addition, the team led by founder Dr Tim Sievers invested in top employees from the beginning. With the then current investor e.ventures, we at FinLab got additional professional and renowned investors on board, such as Peter Thiel, Valar Ventures, etc. who finance the growth.

**GBC AG: Right at the beginning of the new calendar year, you reported that you had received approval as a securities trading bank for the investment in nextmarkets GmbH. What does this mean for nextmarkets?**

**Juan Rodriguez:** The receipt of approval and the associated regulatory procedures were not easy as the standards and quality requirements had been tightened further by

the European Securities and Markets Authority (ESMA), particularly in the CFD market. It therefore takes a very long time to review a licence application. The positive element in this is that with nextmarkets, we were able to demonstrate that we had all the required qualifications, which is proof of the high quality we demand of our platform. With the impressive platform developed by nextmarkets, we are extremely happy that the app, with all its advantages and possibilities, can now be used with real money. It is scheduled to go live in the second quarter of this year at the latest.

**GBC AG: The 27% participation in AUTHADA GmbH was also granted certification by the Federal Office for Information Security (BSI) for its eID solution. Can this be considered a milestone for AUTHADA?**

**Juan Rodriguez:** Yes, indeed, that is quite a milestone! AUTHADA was the first company to be granted certification for its eID core identification solution based on the technical regulations of the Federal Office for Information Security (BSI) and thereby demonstrates compliance with the highest security requirements. In addition to existing, legally relevant reports, the certification from the BSI enables us to further demonstrate our unique product quality and security to demanding clients such as banks, insurance companies and wholesalers in particular.

The AUTHADA eID core is a fundamental component of the identification solutions offered by AUTHADA and allows mobile identification of clients in only a few moments. The official master data electronically stored in the new identity card is read and transmitted within a few seconds using the AUTHADA app, in compliance with the law. The reading process can be executed using a standard smartphone or tablet. A near field communication (NFC) interface is required in the device used. That way, the client does not have to go through cumbersome identification processes using PostIdent and video identification. In addition to fully automated and rapid customer onboarding and KYC processes, companies also benefit from compliance with existing regulatory requirements such as the German Money Laundering Act, GDPR, PSD2 and eIDAS.

**GBC AG: HELIAD Equity Partners, by far the largest investment in your portfolio, increased its NAV significantly in 2017, which is reflected in the increased share price. How do you assess the development of HELIAD?**

**Juan Rodriguez:** For us as well as for Heliad's investors, the development has been very positive. As an investor we are very happy with the share performance of around 66% in 2017 and a dividend yield of approximately 3% p.a. But from our point of view, the development is not yet over. Heliad's portfolio includes many other exciting investments that are not yet reflected in the company's NAV, and we are therefore expecting a further price increase as long as the equity markets remain stable.

**GBC AG: FinLab's current investment portfolio contains nine investments. How many investments are you aiming for and what are your plans regarding possible exits?**

**Juan Rodriguez:** It is not our goal to hold 20-30 investments, read quarterly reports and sell or write off an investment every now and then depending on the development. Being company builders, we are not content to watch from the side lines. We are actively engaged in our investments every day and communicate regularly, so it is unlikely that we will hold more than 12-15 investments at any given time. Depending on the performance of the portfolio, we estimate the first exits in the next 12-24 months.

**GBC: Mr Rodriguez, thank you very much for the interview.**

## ANNEX

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The analysts responsible for this analysis are:

**Cosmin Filker, Dipl. Betriebswirt (FH), Financial Analyst**

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GBC AG  
Halderstraße 27  
D 86150 Augsburg  
Tel.: 0821/24 11 33-0  
Fax.: 0821/24 11 33-30  
Internet: <http://www.gbc-ag.de>

E-Mail: [compliance@gbc-ag.de](mailto:compliance@gbc-ag.de)