LAIQON AG

Wealth. Next Generation.

H1 INTERIM REPORT
AS OF JUNE 30, 2023

	H1-2023	H1-2022	H1-2021	H1-2020
Assets under management in EUR billion	6.0	4.3*	2.0	1.1

Group figures
EUR million

	H1-2023	H1-2022	H1-2021	H1-2020
Sales (gross)	15.9	8.8	18.2	6.2
EBITDA	-2.0	-6.7	7.2	-2.4
Cash flow from operating activities	-7.0	0.0	13.0	-0.5
Total assets	149.3	125.7	112.4	95.1
Equity	65.6	61.5	47.2	37.5
Equity ratio (%)	44.0	48.9	42.0	39.4
Earnings per share (EUR, basic)	-0.16	-0.45	0.28	-0.30
Employees (as of June 30)	192	128	73	72

Percentages based on figures expressed as EUR thousands.
* EUR 4.7 billion ("as if")

About LAIQON AG

LAIQON AG (LQAG) is an innovative asset management factory specializing in sustainable investments with assets under management valued at around EUR 6.0 billion. With a full range of sustainable wealth products and solutions, LAIQON AG addresses both retail clients and institutional investors. LAIQON AG has positioned itself in three business segments, namely Asset Management, Wealth Management and Digital Wealth.

Established in 1995, the bank-independent company has been listed on the stock exchange since 2005. LAIQON AG has been included in Deutsche Börse's "Scale" segment (ISIN: DE000A12UP29) since March 2017.

LAIQON AG currently offers its clients more than 50 wealth products and solutions. At the same time, sustainable investing is a priority for the Company. Looking forward, LAIQON AG intends to play a leading role in this area with a portfolio of products and solutions that seeks to comply almost entirely with Articles 8 and 9 of the Disclosure Regulation. The cloud-based Digital Asset Platform 4.0 forms the digital heart and a central component of the asset management factory. The asset management factory approach serves firstly as a basis for ensuring the quality of the wealth products and solutions offered and secondly as the foundations for internal and external scalability. This is achieved through an internally managed "best-in-class direct" sales approach and by means of "inside white label partnerships".

GROWTH 25 is to act as the main driver of the continued anticipated growth in assets under management and of future earnings. According to plans, assets under management in the three operating segments are to increase to EUR 8 - 10 billion by the end of 2025. At the same time, LAIQON AG is targeting an EBITDA margin of over 45% relative to net sales by the end of 2025. This takes account of the average performance fees generated in the past by the LAIQON AG product range.

LAIQON AG
Wealth. Next Generation.

Group

AG as a technological and sales platform

- Strategy including Sustainability/Finance
- Marketing/Sales
- Compliance/Legal
- DAP 4.0

4.0 bn euros in assets under management

Asset Management

IQ specialist in active alpha strategies

- Over 1,000 clients
- Roughly 25 retail funds
- Roughly 50 special mandates

1.5 bn euros in assets under management

Wealth Management

IQ implementation of individual asset targets

- 2,500 clients
- 360° individualized solutions

0.5 bn euros in assets under management

Digital Wealth

Individualized AI-based investment solutions and ETF savings plans

- 15,000 clients with ETF plans
- 100% personalized AI solutions

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Interim consolidated financial statements

Dipl.-Ing. Achim Plate,
Chief Executive Officer of LAIQON AG

Interview on the Group's performance in the first half of 2023 and on LAIQON AG as an asset management factory

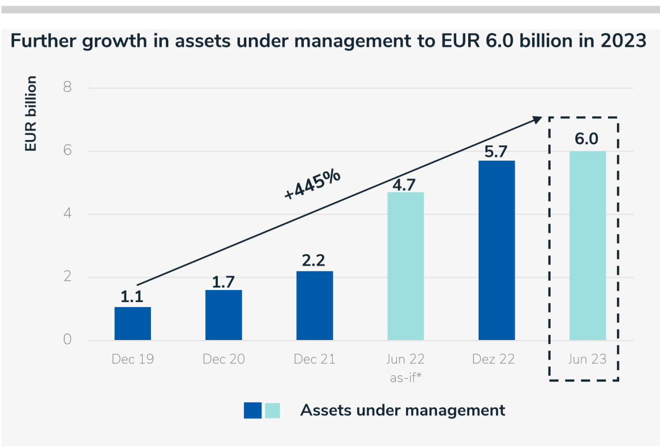
Let us first take a look at the Company's performance and the main milestones it reached in the first half of 2023. In the last first-half report, you conducted an as-if analysis for the first time. Now you are using only reported figures. Why?

Achim Plate: In 2022, we had a special situation due to our acquisitions. For this reason, we applied an "as if" approach for the first and final time in our financial reporting. We did this to show transparently how the LAIQON Group would have performed in 2022 if all the acquisitions had been consolidated on a full-year basis. The rationale behind this decision was that the consolidation date of the individual companies concerned was in fact frequently dictated by the date on which the German Federal Financial Supervisory Authority had completed its owner control proceedings.

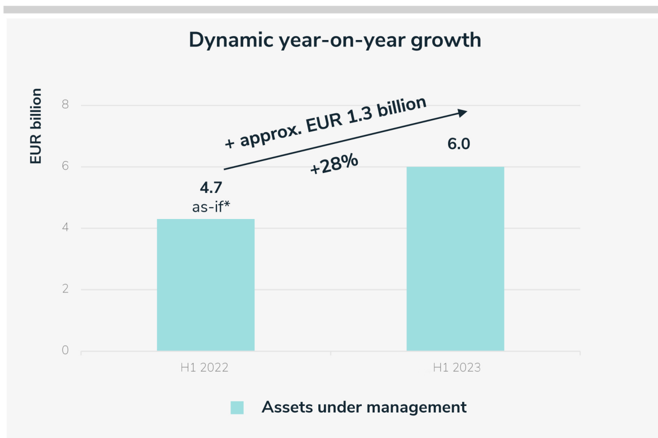
As announced, you have made changes to your segment reporting methodology with this first-half report. What are the reasons for this?

Achim Plate: The previous segment report no longer did justice to our new position and the related integration of the new companies within the LAIQON Group. For this reason, we adopted the

Growth in assets under management in H1 2023



*Assets under management: June 30, 2022, "as if" view including BV Holding AG/Selection Asset Management GmbH/ Lange Assets & Consulting GmbH

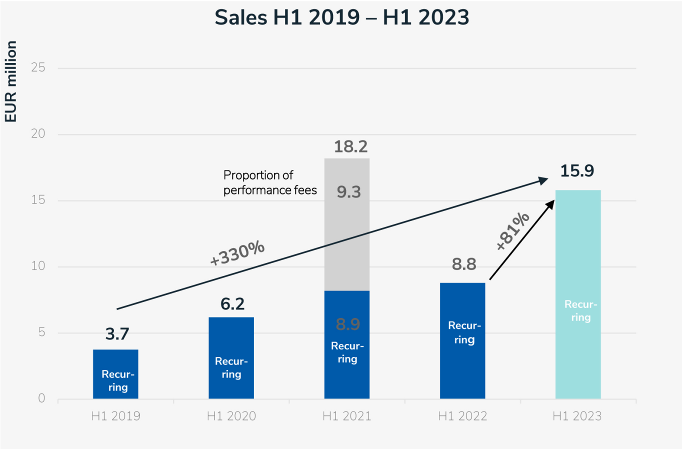


*Assets under management: June 30, 2022, "as if" view including BV Holding AG/Selection Asset Management GmbH/ Lange Assets & Consulting GmbH

Increase in assets under management (organic and non-organic) of around EUR 5 billion from December 2019 to June 2023 new LAIQON AG name and realigned the Group in the interests of greater transparency for the capital market. As of June 30, 2023, the LAIQON Group is composed of four segments: LAIQON Asset Management, LAIQON Wealth Management, LAIQON Digital Wealth and LAIQON Group. For one thing, this results in the aforementioned greater reporting transparency. For another, we are also sending out a clear signal internally to all segments and teams, encouraging them to consistently optimize their value contributions in the respective business segment.

year's figure of EUR -6.7 million. This was despite the fact that we did not collect any performance fees through our Asset Management in the first half of 2023, either. Adjusted for the performance fees generated over the last few years, we have thus been able to achieve a significant and steady improvement in EBITDA. As well as this, it should be borne in mind that we were of course forced to broaden our cost base during the Company's growth phase. All in all, you can assume that we will be able to achieve our break-even threshold by the end of 2023 even in the absence of any performance fees.

Sales in H1 2023 compared to prior periods



- ✓ **330%** increase in recurring sales from H1 2019 to H1 2023
- ✓ Sharp increase in recurring sales in H1 2023 to EUR **15.9** million
- ✓ **81%** increase in recurring sales compared to prior period

Implementation of Strategy 2023/25 2.0 has resulted in a significantly broader recurring sales base

How do you view the Group's performance in the first half of 2023?

Achim Plate: As of June 30, 2023, assets under management continued to grow to just under EUR 6 billion, as shown on the previous page. Accordingly, we have expanded by a further EUR 1.3 billion compared to the same period in the previous year, i.e. June 30, 2022, thanks to the initial consolidation of our Berlin-based FinTech company growney GmbH, as well as ongoing organic growth. Thus, assets under management have risen by 28% over the past twelve months. All in all, I am very satisfied with the growth that we have achieved between the end of 2019 and mid-2023. During this period, our assets under management have widened by some EUR 5 billion.

How do you assess the Group's earnings for the first half of the year?

Achim Plate: Let me first make the following comment. Thanks to the consistent implementation of Strategy 2023/25 2.0, we were able to further increase our non-recurring sales by 80% to around EUR 15.9 million as of the first half of 2022, equivalent to an increase of 330% over the first half of 2019. As I see it, this is a measure of the solidity that we have consistently and steadily built up within our Company over the last five years. So we have done a tremendous job of growing our business.

This is also reflected in our financials. Thus, at roughly EUR -2.0 million as of June 30, 2023, EBITDA improved significantly over the previous

Let us briefly turn to convertible bond 2023/28. Has it been fully placed now?

Achim Plate: Yes, we have fully placed convertible bond 2023/28 worth a total of EUR 20 million thanks to the strong demand. We consider this to be a complete success given the still difficult market environment.

Can you give us an overview of the status of the purchase price installments under the acquisitions of the past few years?

Achim Plate: Yes, I can. We have now paid roughly 93 percent of the expected purchase price installments for all acquisitions. All of these purchase price liabilities have been settled as planned and on time. Earn-out components of round EUR 10 million are currently still pending, payment of which, however, is staggered until 2027. Accordingly, we consider our Company's development phase to be fully funded, as the remaining EUR 10 million can be covered from our operating cash flow.

Now let's move on to operating developments at your Company. The wholly owned LAIQON subsidiary BV Bayerische Vermögen GmbH has established a joint venture known as "meine Bayerische Vermögen GmbH" together with "meine Volksbank Raiffeisenbank eG" from Rosenheim, the tenth largest cooperative bank in Germany. The aim is to establish innovative wealth management for high-end clients. What form will these wealth management services be taking, what benefits can clients expect and what progress has been made so far?

Achim Plate: With our "meine Bayerische Vermögen" joint venture, we are providing a clear response to the requirements of high net-worth wealth management clients. What sets this venture apart is the fact that Volksbank Rosenheim, one of the top ten co-operative banks in Germany, has embarked with us on the road towards establishing "state-of-the-art wealth management" for the high-end client segment. For us, this is a major milestone project in the co-operative bank segment. The entire range of products and solutions that we are offering to "meine Bayerische Vermögen" clients is managed using our Digital Asset Platform 4.0. This is coupled with outstanding support, transparent reporting and state-of-the-art wealth management processes. The new company is expected to commence its operations in the fourth quarter of this year.

As well as this, you announced in an ad hoc bulletin that you had commenced specific discussions with the Union Investment Group in Frankfurt, together with your WealthTech company LAIC, on a partnership to launch a new investment product. Can you tell us more about this?

Achim Plate: These discussions mainly concern the AI system developed and managed by our LAIC subgroup, which generates digital and risk-optimized investment solutions for retail clients and institutional investors via the LAIC ADVISOR®. The discussions are proceeding well and in a spirit of mutual trust. We will be informing our shareholders and the capital market of their outcome in due course. Pending this, I am unable to provide any further information.

You have also acquired a 30% stake in QC Partners GmbH, which is also based in Frankfurt. What is the purpose of this strategic partnership?

Achim Plate: The investment in QC Partners can best be described as a further component of our partnership with the co-operative banks' financial network Genossenschaftliche FinanzVerbund. The shareholders of QC Partners also include the co-operative bank Volksbank Mittelhessen, which holds 20%. Strategically, the investment in QC Partners is also an important addition in terms of skills and capabilities to our acquisition of Munich-based asset manager MFI, which also specializes in institutional clients. In addition to many years of experience in managing absolute-return, derivatives-based and fixed-income strategies, the QC Partners team has extensive access to the network of German institutional investors. One particular aspect here is the co-operative banks, specifically their Depot A facilities, which could be a very large market for us.

This brings us to the Company's strategic alignment. You adopted the new LAIQON AG name in January 2023. What does this name stand for?

Achim Plate: This name, which was developed by us, describes very authentically what we, that is to say, the management and all employees at LAIQON AG, represent. We stand for a leading position in innovative asset management as an asset management factory for sustainable wealth solutions. We use artificial intelligence, "AI" for short, to develop user-centric wealth solutions and to support asset management. However, we rely equally on IQ, which is short for intelligence quotient. In other words, we have long-standing expert knowledge of digitization as well as asset and wealth management. We have very experienced employees for this. And ON stands for online. This means that we offer excellent and personal service featuring a large UX that is "always on", meaning that it is always available to our clients. In summary, LAIQON is more

than just a name for us. LAIQON is our philosophy of how modern asset and wealth management should work.

In order to achieve this alignment, you have set up Digital Asset Platform 4.0 as the heart of the Company. Why was this necessary?

Achim Plate: Our Digital Asset Platform 4.0 is the Group-wide enabler of our entire business model and is also fully scalable. Thus, we are not only broadly positioned but also highly digitized in all three of our business segments. In other words, we are positioned in such a way that with our products and solutions we can reach out to our partners' end clients digitally. For this reason, we can transport our solutions to the end client with a very high UX and render them tangible.

At this year's annual general meeting on August 23, 2023, you presented six innovation-driven strategy elements, outlining their current implementation status as drivers for GROWTH 25. One particular focus was on sustainable investing and AI in portfolio management. How is this progressing?

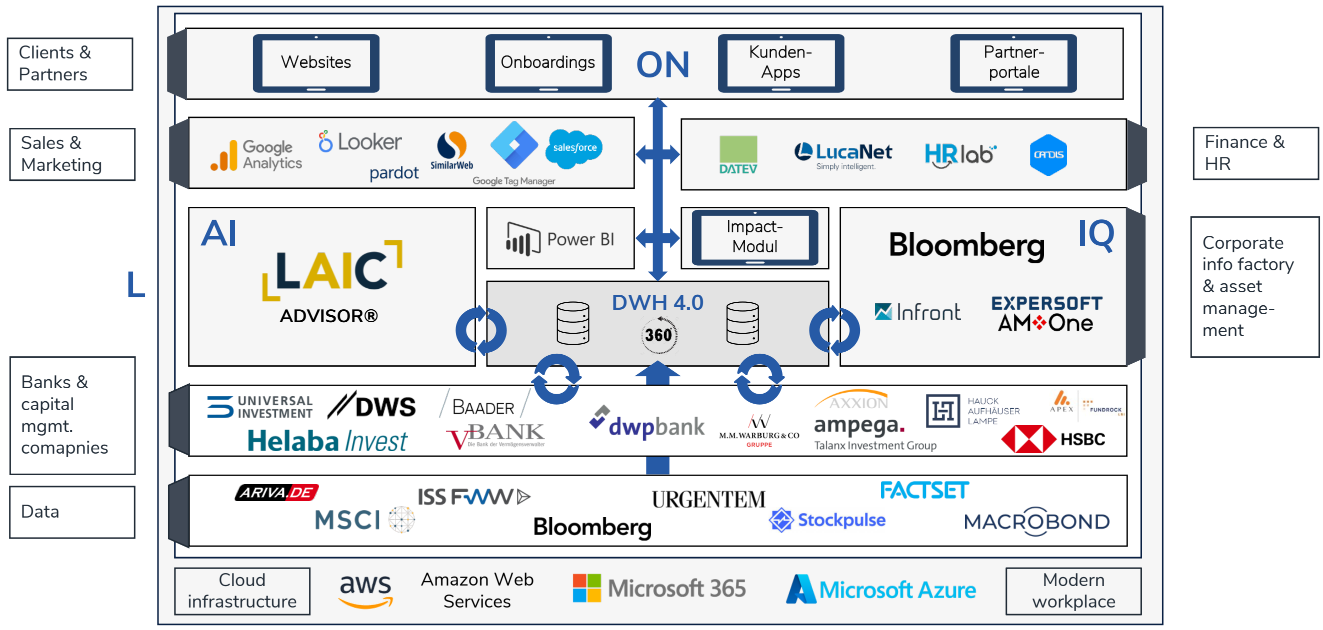
ing Bayesian neural networks that we have now implemented are able to provide quantified estimates for individual financial instruments and related factors. This enables us to generate some data ourselves from historical asset data as a basis for developing optimized solutions for our clients.

Highly personalized AI-based portfolios form our flagship asset management product. Thanks to a large number of options available to a single client, we can currently manage over 300,000 different portfolio constellations on a parallel basis. I am not aware of any competitor that can manage AI-based portfolios as broadly as we do.

You refer to yourselves as the leading asset management factory. What do you mean by this?

Achim Plate: We want to offer our clients the greatest possible quality with our products and solutions. We can achieve this with the digitization skills that we have amassed and partly also with our AI capabilities. We leverage these for impact analyses, i.e. sustainable investing, specifically asset allocation, that is to say, the com-

Digital Asset Platform 4.0 as a Group-wide enabler for all user



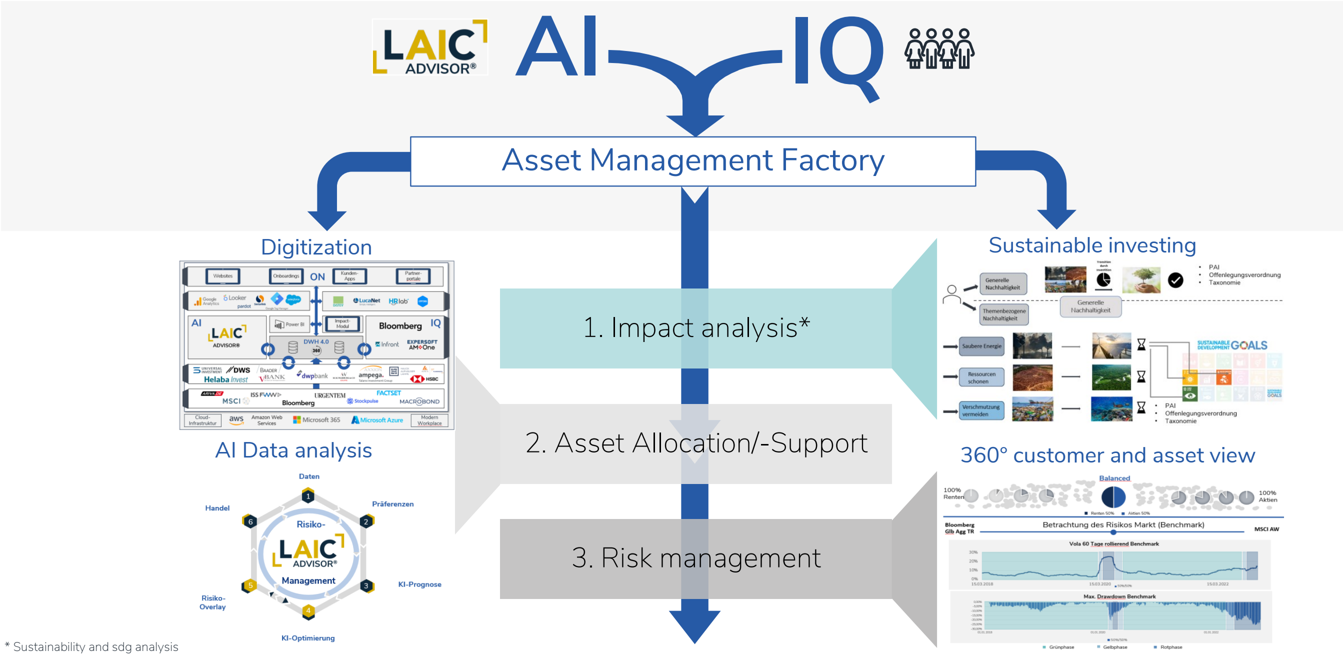
Achim Plate: Looking forward, we want to play a leading role in the industry in terms of sustainable investing. In doing so, we aim to expand our entire portfolio of products and solutions in all three operating segments in such a way that they comply with Articles 8 and 9 of the Sustainable Finance Disclosure Regulation. With six Article 9 funds soon to be ready out of a current total of 16 products, we have already achieved great progress. These future Article 9 funds now also include two products that are fully managed using our AI system.

Since 2020, our WealthTech company LAIC has been able to relatively quickly skip individual steps in the development of AI that our competitors have taken over the last few years. As I see it, we are currently close to reaching the pinnacle in this area. The self-learn-

position of portfolios, as well as for risk management. In this way, we are able to offer our clients standardized and process-oriented solutions featuring maximum scope for individualization.

As well as this, our asset management factory approach ensures that we at LAIQON AG as a "best-in-class-direct" operator can continue growing our entire range of products and solutions for direct sales via our own sales staff and through direct client relationships within the LAIQON Group. In addition, digitization in particular is our competitive differentiator when it comes to attracting external white label partners. I call this LAIQON "inside white label partnerships". Put simply, none of this would be possible without our digitization capabilities. The white label partners contribute their clients on this basis, generating a perfect symbiosis on all sides and linking our

GROWTH 25: Asset Management Factory first as a base for product quality



* Sustainability and sdg analysis

digitization capabilities and innovative strength with existing partners and customer bases. This is how we see the asset management factory.

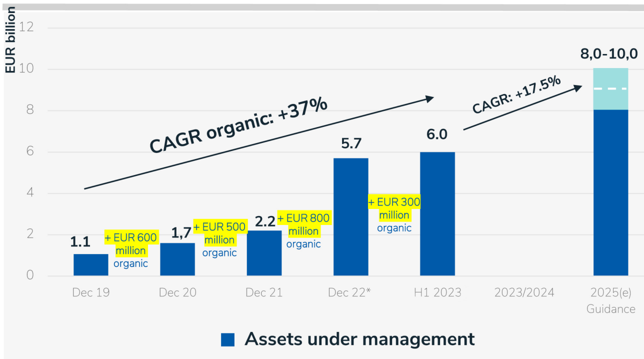
What are the specific growth targets defined in GROWTH 25?

Achim Plate: With GROWTH 25, we want to increase our assets under management to EUR 8 – 10 billion by 2025. At the same time, we are targeting an EBITDA margin of over 45 percent on the basis of the average historical performance fees generated with our range of products.

How do you intend to achieve this?

Achim Plate: Under GROWTH 25, we plan to additionally scale the platform strategy. We expect this growth to come primarily from further organic growth and the continued implementation of the six strategic elements as growth drivers for GROWTH 25. In addition to a focus on sustainable investing and the further expansion of the use of AI in portfolio management, this particularly also includes the expansion of the partnerships with the co-operative financial network Genossenschaftliche FinanzVerbund.

GROWTH 25: Medium-term guidance for assets under management of EUR 8.0 – 10.0 billion(e) by 2025



*Assets under management as of December 31, 2022 with BV GmbH/MFI GmbH/Selection Asset Management GmbH/ Lange Assets & Consulting GmbH/growney GmbH.

Guidance calls for organic CAGR in assets under management of 17.5% for H1 2023 - 2025(e)

Dr. Robin Braun
Head of Group Sustainability LAIQON AG

Interview on the further development of the sustainability strategy

Dr. Braun, you moved to LAIQON AG from DWS, becoming the new Head of Group Sustainability on January 1, 2023. What are your impressions after your first eight months with the Company?

Dr. Robin Braun: I have been able to benefit from my past experience, which has offered me an ideal basis for further development in a new role. From the very first day, I had a consistently positive impression of LAIQON AG, with its dynamic and innovative working atmosphere. However, the Company has also adopted a number of new business models which in some cases were new to me, such as digital wealth and individual asset management in wealth management business. So I first had to familiarize myself with them. I find it refreshing to see how quickly you can work independently and make your own decisions. This calls for the necessary degree of trust, which I enjoyed from the very first minute. And there is a wide range of opportunities where we can play to our strengths and advance our own initiatives together with strong partners.

Funds under Articles 8 and 9 of the Disclosure Regulation now account for almost 50% of the open-end retail funds. What are the reasons for this momentum?

Dr. Robin Braun: The LAIQON business units, as financial market participants and part of the financial system, also have the opportunity and the task of managing capital flows. We welcome the direction taken by the European Commission and the financial market regulators and associations and are trying to address this proactively with our strategy. We are convinced that with our range of wealth products and solutions, we can create innovative opportunities for generating returns for our investors that not only offer added financial value but can also make a contribution to the environment or society. In our view, the market is also speaking a clear language. According to BVI data as of the end of March 2023, more than half of the assets managed in retail funds are invested in products that comply with at least Article 8 of the Disclosure Regulation. In the course of 2022, these products also underwent disproportionately strong growth. Whereas the overall market tended to shrink during 2022, the assets under management in Article 8 and 9 retail funds grew by 23% within the total amount over the same period. And it should also be borne in mind that this occurred in a phase in which sustainable strategies were more likely to attract criticism given the difficulties in 2022 or asset managers downgraded their products from Article 9 to Article 8 or lower in view of the regulatory uncertainty.

Of course, this is also being driven by the regulatory developments that are primarily moving financial market participants towards disclosing sustainability indicators, also known as PAIs*. And then there is, of course, the fact that, rather than fading, global sustainability issues such as climate change are becoming more acute and thus more tangible.

"Integration, transformation, impact" – a performance-oriented understanding of sustainability has so far shaped the sustainability strategy. What is your goal for Sustainability Strategy 2.0?

Dr. Robin Braun: This will not change, because our approach continues to be shaped by this conviction. Much has been achieved in this respect over the last few years. To date, however, the Group's sustainability strategy has focused primarily on asset management business. This has now changed, as the Group has also achieved strong non-organic growth in a short space of time. Moving forward, we want to be more ambitious and serve as a best practice in all three operating segments, while positioning LAIQON AG on the market in this respect.

* PAIs (short for "Principal Adverse Impact Indicators") reflect the negative effects on sustainability factors and measure the extent to which investment assets may have a negative impact on environmental, social and employee concerns or human rights.

Implementation of sustainability: Integration - Transformation - Impact

Commitments

LAIQON AG (partnerships)

- PRI
- Science-Based Target Initiative
- Carbon Disclosure Project
- Austrian Ecolabel
- FNG seal 2023 and 2024 (undergoing validation)
- Contribution to carbon neutrality
- Technical partnership with WWF

Implementation – integration – client preferences

Asset Management

- 95% of retail funds assets under management Art. 8/9 SFDR*
- Full transparency on sustainability
- Clear weighing-up of positive contributions and disputes
- Pursuit of SDG transition path
- Transition reinforced

Wealth Management

- Heightening client groups' awareness of opportunities/risks through sustainability
- Inclusion of individual investment preferences with regard to sustainability
- Range fully aligned to Art. 8 SFDR*

Digital Wealth

- LAIC ADVISOR® includes PAI data and individual sustainability preferences with the help of DAP 4.0
- Binding reduction in intensity of carbon emissions in AI equity funds (Art. 9)
- Implementation of individual sustainability preferences

Implementation of LAIQON range of products and solutions

- PRI/CDP
- Science-based targets
- WWF

- UNGC/standards
- Weapons
- Fossil energies

- Sustainability risk
- Internal PAI monitoring
- Sustainability data

- Green bonds
- SDGs /PAB/CTB
- Status of science-based

LAIQON Group Sustainability Committee / Head of Group Sustainability

* SFDR: Sustainable Finance Disclosure Regulation; Regulation EU 2019/2088 of the EUROPEAN PARLIAMENT and of the COUNCIL of November 27, 2019 on sustainability-related disclosure requirements in the financial services sector

As well as this, there are some levers available, all of which aim to credibly consolidate our understanding of sustainability. In this case, "credible" specifically means that our employees consistently internalize our understanding and implement it. We want sustainability to be tangible rather than abstract for them, close rather than remote, and intelligible rather than highly complex. This is achieved through internal communications, training, resilient processes, policies and regulations as well as transparent external reporting. Everything stands and falls with the efficient use of data and an agile data platform. We will not achieve our goal overnight but have already set the course internally and are starting to implement it.

Obviously, the continued development of our sustainability strategy is not an end in itself. Rather, all our efforts aim to offer our retail clients and institutional investors a performance-oriented, sustainable range of wealth products and solutions.

What priorities are you pursuing this year in the implementation of your sustainability strategy?

Dr. Robin Braun: In my opinion, it is important that we not only send messages and have an abstract goal in mind, but also that we can implement this in terms of operations and know what levers we must pull. I believe that, among other things, a common understanding can be consolidated and internalized through clear guidelines and mission statements. This includes our "Implementation of Sustainability" charter within the LAIQON Group in order to define each of the core segments.

As I see it, a further key component is for our own actions to undergo external scrutiny. The key initiative for sustainability in the investment process is Principles for Responsible Investment (PRI)**, to which all of LAIQON's operating entities now belong via the Parent Company. The Science-Based Target Initiative (SBTI)*** also plays an important role in the future decarbonization path of our largest retail funds as well as our business operations, as in this way we can give greater credence to our corporate dialogues or our pursuit of transformation. However, the validation of our previous SBTi commitment does not mark the end of our efforts in this regard; in the medium term, we are working on rolling it out across other Group companies so that we can discuss or implement our idea of transformation with sophisticated institutional or retail clients. In the dynamic sustainability environment, partnerships with or memberships of other initiatives are playing a major role. We want to tackle or complete all of this in 2023. But my work does not stop there, of course.

Let's turn to the science-based targets. What are the basic outcomes of your validation process?

Dr. Robin Braun: There is a lot of talk about SBTi, and the validation process was sometimes time-consuming and highly complex for us, not least because of the data situation. By virtue of the underlying concept, some financial portfolios within the Group subsidiary SPSW Capital GmbH are primarily composed of midcaps, which in particular still have some work ahead of them as regards the disclosure of carbon emission data. We expect greater disclosure in the future, which is why we are also involved in the campaigns initiated by CDP**** (formerly the Carbon Disclosure Project). Everyone in the market benefits from better data.

For me, however, SBTi is a classic stepping stone for rendering a complex aspect of sustainability more tangible. We have taken a number of steps on the basis of the science-based targets and want to update or comment on these measures and their achievement on an annual basis. In many cases, this includes an annual 7% reduction in carbon-equivalent greenhouse gases in some portfolios – for example LF – Green Dividend World as well as our two new Article 9 funds LF – AI Impact Equities and LF – AI Impact Equities US. Here, stock-picking is based on a Paris-aligned benchmark, i.e. companies whose goals are compatible with those of the Paris Climate Agreement. My colleagues at LAIC Vermögensverwaltung GmbH, Mr. Linzer and Mr. Sievers, can provide more information on the selection process and the mechanics of the algorithm behind it. We are convinced that our AI-based solutions provide our investors with a good trajectory in this respect.

** PRI is an investor initiative founded in 2006 in partnership with the financial initiative of the UN Environment Program UNEP and the UN Global Compact. Its aim is to understand the impact of sustainability for investors and to support the signatories in integrating these issues in their decision-making processes. In this way, they contribute to a more sustainable global financial system.
*** The "Science-Based Targets Initiative" (SBTi) is committed to the reduction of greenhouse gases on the basis of science-based targets.

Talking of sustainability data, why is this data so crucial and what do you want to use it for?

Dr. Robin Braun: From my experience in recent years, and while I was working academically in this field between 2006 and 2010, I can say that data complexity and diversity have increased massively. Whereas the first performance studies conducted at the beginning of the millennium focused on overarching and summarized ESG ratings, these days, the raw data is now more decisive. This applies to all facets of carbon data, sector data on revenues or investments along companies' value chains, data on disputes or actual violations of international standards. Fund managers and analysts must be aware of all this, and this data must be stored in databases and analyzed and processed using AI.

Can you do this at all with your Digital Asset Platform 4.0 (DAP 4.0)?

Dr. Robin Braun: Personally, I am very impressed with what has been set up here so far and how it is being used. Many on the market use buzzwords such as "big data" or "machine learning", but specific implementations are few and far between. The challenge will be to leverage this sustainability data as profitably and efficiently as possible for our business model. There is no shortage of data, but we do need to focus in order to mine this data pragmatically.

Can you elaborate on this a little further?

Dr. Robin Braun: Of course. Asset managers such as LAIQON AG are faced with the strategic question of how to deal with and use the copious volumes of sustainability data efficiently. This does not always mean "the more data, the better". Rather, the goal must be to make the best use of the available data and resources for our own business model and our clients. At the moment, we have deliberately opted for our current ESG data providers such as ISS-ESG or Urgentem and their applications. However, we are keeping an eye on the market in order to gain the best possible data for our investment process and future products and to use it accordingly.

To give a specific example, our ESG filter settings aim to structure the exclusion lists or positive lists for our investment strategies and financial portfolios in such a way that they best fit the fund strategy and best reflect our attitude towards compliance with international standards and our ideas with regard to transformation. This involves an enormous amount of detailed work, which the people at LAIQON are concentrating on with me and which will ultimately be applied to the funds in conjunction with our capital management companies.

Looking forward, how do you want to position yourself in the market with the LAIQON fund range in terms of sustainability?

Dr. Robin Braun: The focus of our funds continues to be on generating the best possible return/risk profile. We have a total of 16 retail funds that we want to increasingly distribute and bring to market. Almost all of them are geared towards different facets of sustainability. Even our Article 6 fund applies the basic sustainability rules. At the same time, we regard sustainability as an integral part of the securities analysis and stock-picking process. Obviously, there are minimum regulatory exclusions, but we have the resources and data to lift the level of sustainability for our funds, depending on the implications for the investment strategy or the investment universe. At the same time, it is part of the overall value proposition but not the sole value proposition as such.

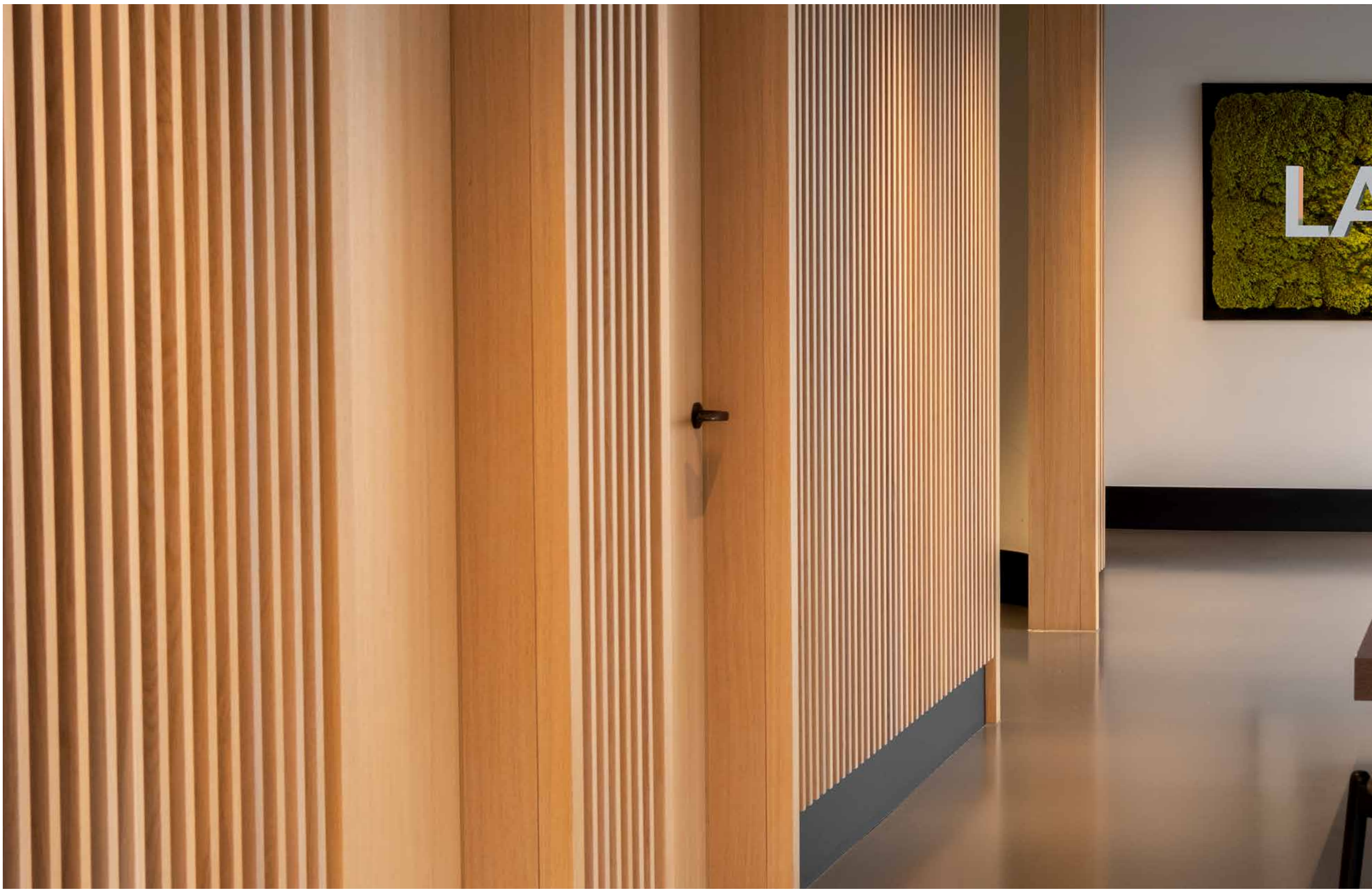
**** The Carbon Disclosure Project is a non-profit organization founded in London in 2000 with the aim of ensuring that companies and municipalities publish their environmental data, such as climate-adverse greenhouse gas emissions and water consumption.

We pursue several approaches that we consider to be plausible and robust for determining the proportion of retail funds that are classified as sustainable investments under the Disclosure Regulation. To this end, we choose the approach that best matches the investment philosophy, i.e. fundamental analysis vs. AI-driven, the asset class and the positioning of the fund. This also calls for transparent disclosure and the ability of our sales staff to present these approaches. However, we assume that the market will continue to develop in this regard due, among other things, to the EU taxonomy, which will ensure that data becomes increasingly available.

The LAIQON Group's expertise is also to be expanded through partnerships, including with investment consultants Atacama Partners and the Singapore-based investment boutique Santa Lucia Asset Management. Why this approach and what exactly do you have planned?

Dr. Robin Braun: The answer to the latter question is relatively simple. A strategy specializing in Asia in accordance with Article 9 of the Disclosure Regulation, that is to say, managing solely sustainable investments as defined in the Disclosure Regulation from Germany, appeared to us to be too complex or not sufficiently credible. We are convinced that we have found a suitable partner in Singapore-based Santa Lucia Asset Management as they are local experts and fund managers with access to the market, the companies located there and the necessary market knowledge and can drive forward our agenda for the impact and transformation of companies.

The same applies to the partnership with Atacama Partners. We know that client needs are growing alongside the demands for sustainability. Consequently, we wanted to create a global sustainability fund with a focus on impact in conjunction with a partner who takes a different approach and wants to leverage transformation stories from a different perspective for investment opportunities. This is being supported by proprietary software that LAIQON currently wants to make usable for the entire investment platform. The purpose of the software is to map the entire research process and also to collect, analyze and process company data along each individual step of the analysis. The analyses and the findings derived from them are used by portfolio management as a basis for investment decisions. In addition, the tool is used for portfolio monitoring and reporting. Renowned service providers provide financial and sustainability data. As well as this, the EU Taxonomy Compass is to be connected to the tool.




AIQON

LAIQON AG

The office building at “An der Alster” 42, LAIQON AG’s head office.

Lasse Linzer, Dipl.-Volksw.,
Managing Director
LAIC Vermögensverwaltung GmbH

Christian Sievers, M.Sc.,
Managing Director
LAIC Vermögensverwaltung GmbH

Interview on "Artificial intelligence in investing"

With the success of the ChatGPT natural language software, discussion on artificial intelligence (AI) has entered a new dimension. To what extent will AI change our lives?

Lasse Linzer: ChatGPT is a prime example of an overnight success. Over the last few decades, artificial intelligence has repeatedly experienced phases of heightened attention, intertwined with "AI winters", in which this interest dwindled due to disappointed expectations. The fact that we are currently experiencing a new "AI summer" is doubtless due to the impressive and, above all, tangible examples that have been made accessible to a large number of people through services such as ChatGPT or Midjourney, which creates text-based visualizations. News that AI suddenly manages to cope with human-oriented tests and problems or that Paul McCartney has announced that he will be recording a new John Lennon song with AI support makes it straight to the headlines, placing it well and truly in the mainstream. As a result, numerous other projects and teams that have been involved for years in developing AI are now finally receiving the necessary attention.

If truth be told, however, AI has been part of our everyday lives for years, hidden in the backend of all the tools that we use day for day. It is repeatedly reported how strong ChatGPT user growth was in the first few months. But if you look at how many people have actually integrated ChatGPT into their everyday lives, either for professional or private purposes, you can see that we definitely still have a long way to go. However, I often observe a typical generation and adaptation problem of the type that we have repeatedly seen with major technical breakthroughs such as the Internet and smartphones. School and university students use ChatGPT to write their essays and entire seminar papers, while the older generation utilizes it for questions that could be answered more efficiently with a simple Google search.

Society as a whole has a responsibility for ensuring that no one is left behind. This particularly also applies to the financial services industry. We need to clearly communicate where AI is being used, how we can ensure the safe use of this output for decision-making and, at the same time, educate our customers about further developments.

You have been working at LAIC since 2020 and using AI for portfolio allocation. What experience have you gained so far and how would you assess your learning curve?

Christian Sievers: Our experience over the last few years at LAIC has been extremely promising and instructive. We started developing our LAIC ADVISOR® back in 2018. This was a real challenge at first, as it was not just a question of developing the right technology, but also of identifying and obtaining the necessary data. As well as this, the thrust of the strategy had already been defined at this early stage.

Our learning curve was quite steep. Working with AI calls for a deep understanding of algorithms, data and the underlying financial markets. During the development process, we realized relatively quickly that high data quality is crucial for an effective solution. Structured processing of data is essential for developing a reliable model and ensuring robustness. The use of Bayesian neural networks, NLP integration and 30-day forecasts for resilient portfolio allocation and

the collection of ESG data were of prime importance. In particular, ESG data grew in importance in both quantitative and qualitative terms over the years.

Today, our LAIC ADVISOR® combines all this data, creating innovative solutions for our clients through modularity and connections.

In summary, our experience with AI has been extremely encouraging at LAIC and we have made significant progress. By the same token, we also know that we are in a constantly changing environment that calls for permanent adjustments. For this reason, we remain open to new insights and will continue to invest in developments to fully exploit the potential offered by AI.

At this point, let's dig a little deeper. What is the exact data basis, what factors go into the return forecast?

Christian Sievers: This is a very important question. The data on which our forecasts are based includes several factors in order to gain the greatest possible accuracy.

In addition to historical price data and the technical indicators derived from it, we also fundamentally use macroeconomic data. In addition, we obtain microeconomic data derived from analyses of balance sheets, cash flows and other financial indicators in order to assess companies' financial situation and prospects. We also incorporate analyst estimates and changes to these in the model. As well as this, we apply sentiment data as an indicator of investor behavior to take account of current topics and trends from the news or the Internet. In addition, LAIC ADVISOR® makes use of option and commodity data, which provides essential information about contracts and prices and offers important insights into market expectations and risk appetites.

Data quality is of crucial importance here, as it forms the basis for precise forecasts. The data must be up-to-date, complete and of a high quality in order to produce reliable results. We therefore obtain our data from trusted sources, including financial data providers and renowned market research companies.

We use Bayesian neural networks to prepare the forecasts. For this purpose, we use the data described here to train the models and to identify patterns that are relevant for explaining the returns realized. Based on this knowledge, our model can subsequently forecast returns and risks in the light of the prevailing uncertainties.

So, you use Bayesian neural networks to forecast returns. What is the advantage of doing this and why does this approach make sense?

Christian Sievers: From our point of view, the main advantage of using Bayesian neural networks lies in their ability to factor in complex and non-linear relationships within the financial data on the one hand and to provide precise forecasts on the other, especially taking into account the prevailing uncertainty.

Classic models may be simple and exclude irrational behavior but are often not flexible enough to allow for complex relationships in the financial markets. In contrast to classic quantitative models, Bayesian neural networks offer greater flexibility and adaptability in the light of changing market conditions. For example, our LAIC ADVISOR® calculates probabilities for different scenarios, while duly factoring in forecasting uncertainties. This is of great importance in volatile financial markets.

By incorporating external factors such as industry trends, political events or even social media sentiment data, a comprehensive picture of the markets can be painted and insights gained from the data. This makes it easier to identify and interpret current market conditions. So, our models don't only give us straight forecasts as such but also provide an indication of the mathematical uncertainty. This is particularly useful with unexpected and unprecedented events in risk management.

In fact, at LAIC, we seek to use Bayesian neural networks to improve forecasting accuracy in order to minimize our clients' risk exposure and to make portfolios more efficient.

In addition to forecasting, you also optimize the portfolios by taking into account individual filters and secondary conditions, based on client preferences. Please explain the rationale and the processes behind this.

Lasse Linzer: The aim of our processes is to individualize rather than standardize our products according to our clients' preferences. Aided by AI, we can also implement these preferences for a large number of individual requirements. The individual filters and constraints are the limits set for AI within the confines of which it is possible to make forecasts and decisions. These are policies that every asset manager and portfolio manager would have to adhere to under the terms of a mandate. These limits ensure that the preferences indicated by clients are always met, not only in regulatory terms. This allows us not only to map and manage a large number of different risk profiles but also to act on individual preferences within these profiles, for example with regard to sustainability or the weighting of certain regions and trends. Studies show that personalized solutions make it more likely that users will identify with and adopt these solutions. This is especially important if the long-term investment objective is not to be lost sight of during periods of heightened uncertainty.

This brings us to risk management. Is this the basis of the portfolio structure and thus of the ultimate client portfolio? What does this specifically entail for investors?

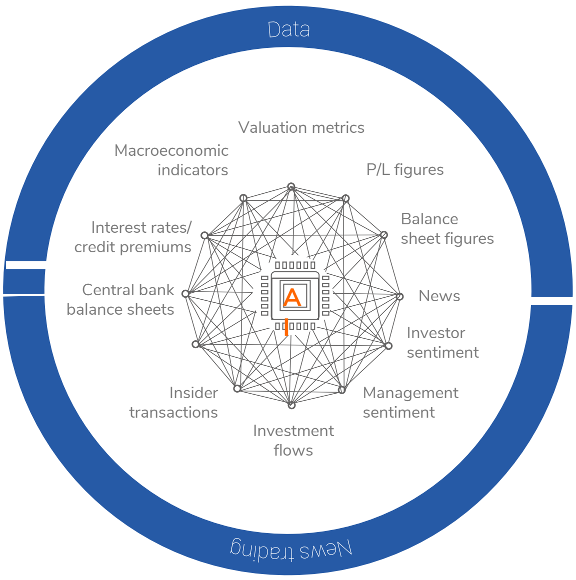
Christian Sievers: Exactly, risk management is an integral part of our portfolio structure and should therefore also be seen as the basis of the resultant client portfolio. We take a holistic model approach here to ensure that risk management is embedded at every stage of the investment process.

Risk management involves three levels. On the one hand, it is inherently integrated in our forecasts and portfolio structure in order to factor in potential risks when the portfolio is being structured. On the other hand, we explicitly apply volatility management to actively monitor and adjust risks in the event of any changes in market conditions. On top of this, the risk ratios are calculated and monitored independently of this outside the framework.

What does this mean for the client? LAIC ADIVSOR® monitors and analyses our client portfolios on a daily basis. For this purpose, all relevant risk ratios are analyzed continuously to ensure that the risk parameters are in line with the investment objectives of our clients. We also take into account potential market changes and events so that we are able to react proactively to any risks.

The overall result of this risk management approach is an individually tailored portfolio that factors in the opportunities and risks appropriately and is geared towards achieving our clients' investment objectives.

Principles of AI in portfolio management



- Price movements result from the **interaction of different investment approaches** that set different priorities
- **AI can track the entire interaction** of the different data and draw conclusions and make **improved predictions** on this basis
- AI makes faster, **objective investment decisions** based on data, thus avoiding human (psychological) mistakes
- AI learns daily and **dynamically** adapts the models. In this way, it is possible to respondto quick trend reversals

This sounds impressive in terms of the complexity involved and the value generated for your clients. Are you satisfied with the results of this investment process so far?

Lasse Linzer: With our LAIC ADVISOR®, we have been able to achieve resilient risk-adjusted returns, which compare favorably to those of the established players and models. We have shown that AI-based investment decisions achieve stable results, especially in phases of uncertainty, such as the Russian attack on Ukraine or rising interest rates.

The last few years in particular have demonstrated the speed with which AI technology is evolving. This makes it indispensable to constantly review and continuously improve the existing models. At the heart of our approach is innovation and maximizing customer value. This aspect is crucial given the dynamic environment of the financial markets as well as the swift pace at which AI technologies are developing. Each new version is not only an update of the established version, but always also an opportunity to accelerate our learning curve and improve the quality of our forecasts and decisions. No matter how good performance has been in the past, our goal is continuous improvement.

LAIC has been offering solutions not only for retail investors but also for institutional clients since 2020. What are the differences between the individual solutions for your clients?

Lasse Linzer: We attach importance to offering the individual client groups the easiest possible access to our solutions. This means that retail investors, for example, can invest even very small amounts in our retail funds. We offer low-threshold access to the capabilities of our LAIC Adviser® through our investment funds. The different risk profiles – Dynamic, Balanced and Defensive – aim to give as many clients as possible access to our products. At the same time, we take account of ecological and social aspects when selecting investment instruments.

If the client is seeking the greatest possible degree of individualization based on his own risk and investment preferences, he can make use of our asset management services and complete the onboarding process independently.

With our two planned Article 9 equity funds, we are also addressing a need in the institutional market for a sustainable low-carbon approach combined with investment decisions based on objective data-driven criteria backed by artificial intelligence. This model calls for a high level of expertise not only in the data input but also in the development of AI models that can quantify uncertainties. This approach enables us to make resilient investment decisions, especially in complex and uncertain market phases.

Your colleague Dr. Braun explained that stock-picking for the two planned new Article 9 funds, LF – AI Impact Equities and LF – AI Impact Equities US, is based on a Paris-aligned benchmark. Can you elaborate on the selection process and the mechanics of the underlying algorithm?

Christian Sievers: Yes, I can. The two Article 9 funds aim to identify companies that are aligned to the goals of the Paris Climate Agreement. This mainly entails the reduction of greenhouse gas emissions and the inclusion of general sustainability aspects. Our potential selection of equities for the funds is derived directly from the Paris-aligned benchmark. This ensures that each individual name in the portfolio has undergone a comprehensive, multi-stage selection process.

In addition, companies that fail to meet the "Do No Significant Harm" (DNSH) principle due to controversy or their activities in ESG-critical sectors are systematically excluded. In this way, we want to ensure that our funds invest only in companies that have a positive impact on the environment and society.

One key objective of the two funds is to make a positive impact. To this end, the portfolio aims to achieve an annual 7% reduction in greenhouse gas emissions in line with the Paris-aligned transition path.

The portfolio structure takes into account emission limits and the forecasts derived from the neural networks. This allows us to create a portfolio that outperforms the benchmark and is also climate-friendly.

Overall, our approach reflects our commitment to responsible investing and enables our clients to invest in forward-looking companies that are actively driving the transition forward in the interests of a more sustainable future.

Finally, let's look at UX. When investing digitally, clients attach particular importance to a customized process, not only in terms of the investment as such but also with respect to the ensuing support. What is your take on this?

Lasse Linzer: As I have already stated, digitization does not mean standardization. With our own applications for client onboarding and management routes and apps, we have created the basis for responding to the individual requirements and needs of our clients and partners.

After migrating the client onboarding processes and paths to our own developments and solutions last year, we went live a few weeks ago with our own portal and iOS app for our clients. These developments form the blueprint for all further developments at LAIC and within the LAIQON Group as a whole. Our client-specific processes require that we not only document the individual requirements during the onboarding process and implement them with the LAIC ADVISOR®, but also communicate them in our reporting activities. As we have our own applications, we can deliver the individual strengths of our solutions to our clients even more effectively. We can only create an outstanding user experience if we are able to master and take responsibility for every point of contact with our clients. At the same time, we are becoming more flexible and far more competitive with our own solutions.

When we identify a new requirement in the market, we can address it within a relatively short space of time with our own solutions, the LAIC ADVISOR® and our reporting system. With the swift access available via a mobile phone and our app, we want to additionally reinforce our relevance and the relationships with our clients. Seeing your own investments work with just a few taps creates transparency and is an important basis for customer-centric solutions.

Markus Wedel, CEFA,
SPSW Capital GmbH

Dr. Maximilian Thaler, CFA,
SPSW Capital GmbH

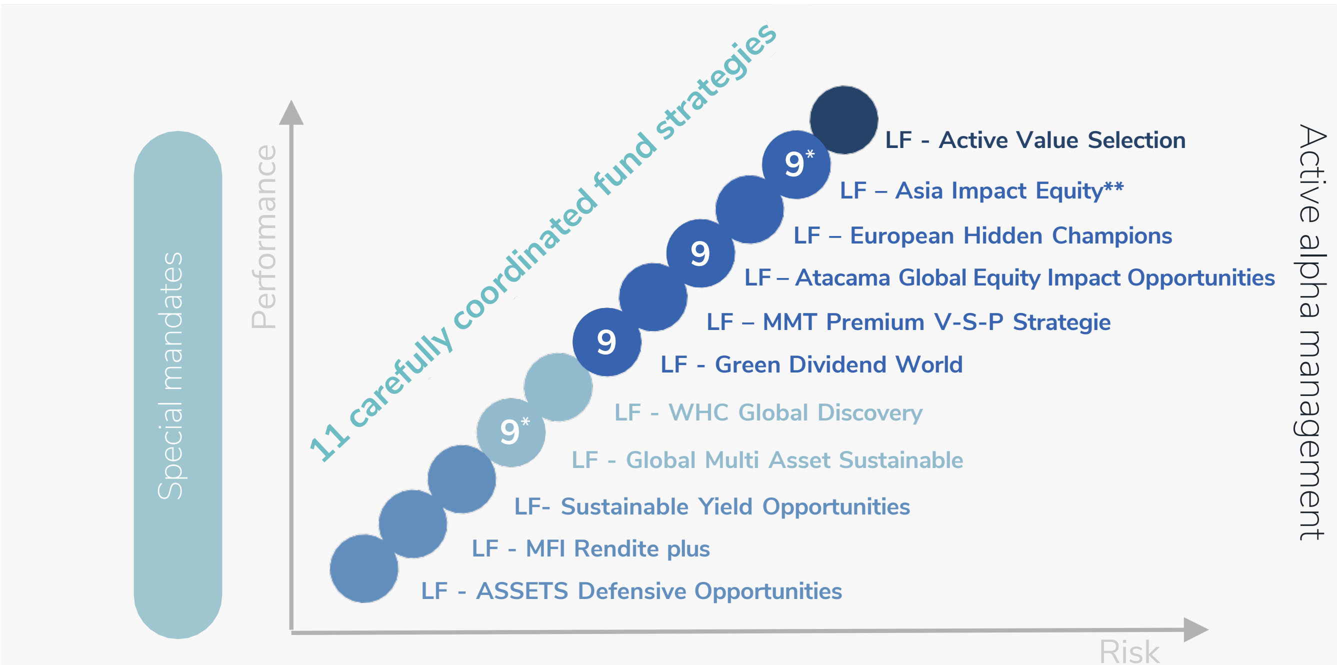
Axel Brosey, CFA, CESGA,
SPSW Capital GmbH

Dr. Tobias Spies, CESGA,
SPSW Capital GmbH

Interview on active fund management

The LAIQON Group currently offers 11 fund solutions. To provide examples from this family of funds, four fund managers present their active investment approach.

Active fund management



Mr. Wedel, conditions in the capital markets in the first half of 2023 were characterized by persistently high inflation, the problems afflicting individual banks and disappointing macroeconomic data in China and Europe. How do you view the market at the moment and what future do you see in the markets for yourself as an active stock-picker in your two mixed funds?

Markus Wedel: We have been constructively positive for our investments and are very well positioned in both mixed funds; LF – WHC Global Discovery performed very well with gains of 15% in the first half of the year. In addition to the massively oversold market in 2022, sentiment has been worse than justified by the fundamentals. Price increases in 2022 and in some cases also in 2023 helped companies to report better than expected earnings. At the same time, the cost side has eased, with raw materials, intermediate products and logistics costs declining. In addition to subsiding cost pressure, the availability of many intermediate products also improved again, and many companies were able to return to normal production

* Conversion into Article 9 investment fund planned ** Fund launch planned. Disclaimer: The above information on returns and risks has been carefully compiled to the best of the Company's knowledge and belief based on knowledge, estimates and assumptions believed to be correct as of August 2023. It reflects the estimates of LAIQON AG as of August 2023 and may change at any time without prior notice. No liability is assumed for any errors, omissions or obsolescence in the data presented herein or any failure of the forecasts to be reached.

free of any major interruptions and extra shifts. This resulted in better Q1 and Q2 earnings, which had already been duly priced in by the market. Many investors were not sufficiently positioned and thus lagged behind in performance terms. The rapid and sharp rise in interest rates and inflation in 2022 also posed a major challenge for companies. With inflation now declining, there are signs of an end to the phase of rising interest rates. Lower interest rates should cause the multiples which investors are willing to pay for to rise again. At the same time, macroeconomic data is deteriorating, while company outlooks are becoming more guarded again in some cases. The weaker economic data is to some extent being actively encouraged by the central banks as sharp economic growth is incompatible with declining inflation rates.

This makes stock-picking even more important for a successful investment strategy. Some industries still boast full order books, which will provide a cushion over the months ahead and bridge the gap until the economy starts picking up again. As regards fixed-income investments, the end of the rate-hiking phase and the prospect of declining interest rates should boost prices substantially over the next few quarters. For LF – WHC Global Discovery, for example, we have increased the fixed-income ratio from 5% in September 2022 to a current 30%. We do not consider the problems afflicting the banking sector to pose a further burden, as key banks are better capitalized than at the time of the financial crisis and are no longer permitted to place as many risks on their books. At the same time, they have greater equity resources. China is currently a disappointment, but demand is strong in the rest of the world, meaning that China is more likely to be the next driver of further rises in equity prices, especially in the case of export-oriented companies in Scandinavia and the Dach region. Overall, we expect the equity market to remain upbeat amidst some volatility until the end of the year as well as in 2024.

You are responsible for and manage the LAIQON Group's two large mixed funds, LF – WHC Global Discovery (WHC) and LF – Global Multi Asset Sustainable (GMAS). What are the similarities and main differences between the two funds in terms of their portfolio structure?

Markus Wedel: Both sustainable and actively managed asset management strategies are benchmark-free and pursue a clear absolute return and stock-picking approach. The two funds are also extremely flexible in terms of allocation between the individual asset classes, meaning that they can be adjusted in the light of current market conditions at any time. Another shared feature is the investment style and a generally long-term holding period for the top 10 positions. The funds invest in companies with strong market positions that have an inherently solid business model.

However, the companies are only bought at attractive prices, which is not to say that we pursue a value approach. We invest on a value-oriented basis, i.e. we invest in companies characterized by attractive valuations and simultaneously also sustained structural growth. The focus is on a promising risk/reward ratio, which is always checked before and during each investment. In addition, WHC and GMAS invest in a very concentrated style, meaning that the top 10 positions often account for between 30 and 50% of the total fund volume. Only with such a strong focus is it possible to gain a thorough understanding of the respective business model. A deep understanding of our investments gives us the necessary peace of mind, preventing us from panicking too quickly during turbulent market phases and encouraging us to retain our exposure to our core investments as we can assess the risks closely. In addition, it gives us the opportunity to accumulate promising new positions at attractive prices in correction phases, such as in 2020. Both funds have in common an attractive proportion of fixed-income instruments, something which not only permits an attractive distribution, but also heightens stability and thus lowers price volatility. Whereas WHC is one of the very few mixed funds to have a strong focus on European midcaps, GMAS tends to invest in bluechips. Accordingly, WHC remains more focused on companies in Scandinavia and the Dach region, while GMAS also invests globally in non-European countries. Generally speaking, GMAS is somewhat more defensive and thus exhibits less volatility, while WHC is rather more volatile due to its focus on smaller companies but can also leverage higher price differentials. The target return for the WHC fund is 8% p.a. and GMAS has a correspondingly more defensive target return of 6% p.a. over the investment horizon. Another distinguishing feature concerns sustainability. Both funds pursue an established sustainability strategy, but GMAS, as the inclusion of the word "Sustainable" in its name suggests, is even more differentiated in terms of sustainability than WHC. Whereas WHC is classified as an Article 8 fund, GMAS is to receive Article 9 classification in accordance with the SFDR in the future.

Dr. Thaler, as fund manager for the LF – European Hidden Champions (EHC) equity fund, you concentrate on market-leading, highly innovative midcaps. How do you select the individual names and where do you currently see opportunities?

Dr. Maximilian Thaler: The process starts with the search for suitable medium-sized "hidden champions" that are market leaders in their respective niches. In order to generate attractive investment ideas, we use both proven screening tools and comprehensive field research. This means that we talk to companies at conferences and industrial fairs or visit them directly at their headquarters and inspect their production plants. This also includes in-depth analyses of technological and industrial studies, trade magazines, annual reports and other forms of corporate communications. Over the years, we have built up a large database of European hidden champions, which we continuously mine in search of interesting opportunities. The ultimate selection of the individual names is based on an analysis of the company fundamentals and a final risk assessment, also in the light of the overall portfolio. We currently continue to see opportunities, especially in niche areas of the technology sector, in industrial companies and selectively also in companies in the healthcare industry. The core focus here is on structural growth drivers active in digitization, automation and also non-cyclical companies in the semiconductor, truck and infrastructure sectors, among others.

What sets your fund apart from the competition? What do you do differently?

Dr. Maximilian Thaler: EHC is characterized by its focus on smaller and less well-known growth stocks. By investing early in innovative companies, it is possible to participate in their growth trajectory for as long as possible, thereby unlocking considerable value for long-term investors. The early identification of future trends and technologies is therefore of great importance for our investment strategy. With our many years of experience in fund management, we have close contacts with the European midcap scene. This network often yields exciting investment opportunities and scope for identifying structural trends at an early stage. In addition to the German-speaking region, Nordics in particular also play a prominent role due to their strong corporate profiles in tandem with well-developed corporate governance, transparency and accessibility for foreign investors.

Mr. Brosey, your LF – Green Dividend World (GDW) distributing fund is particularly positioned in the market with its innovative sustainability approach. What makes this approach so special?

Axel Brosey: GDW invests in three types of business models: "pure plays", "enablers" and "transformation". "Pure plays" are companies whose original business model is already largely sustainable. They include, for example, wind farm project planners whose business model is considered to be inherently "green". "Enablers" are companies that use their products or production processes to enable other companies or consumers to make a positive contribution to sustainability. For example, wind turbine companies enable wind farm project planners to produce green electricity. The third area, "transformation", entails companies that are striving for positive transformation. They plan to modify or improve their business model to achieve a positive, appropriate net impact on the achievement of environmental objectives. One example is a company that has set itself a science-based climate target and is decarbonizing in line with the Paris Climate Agreement. Or in other words, the fund takes into account companies that will sustainably improve their ecological footprint. This sensible, practical and effective approach is currently unique on the market.

Does this mean that you are currently able to measure the exact carbon footprint of your portfolio and optimize it on the basis of these criteria? How exactly do you do this?

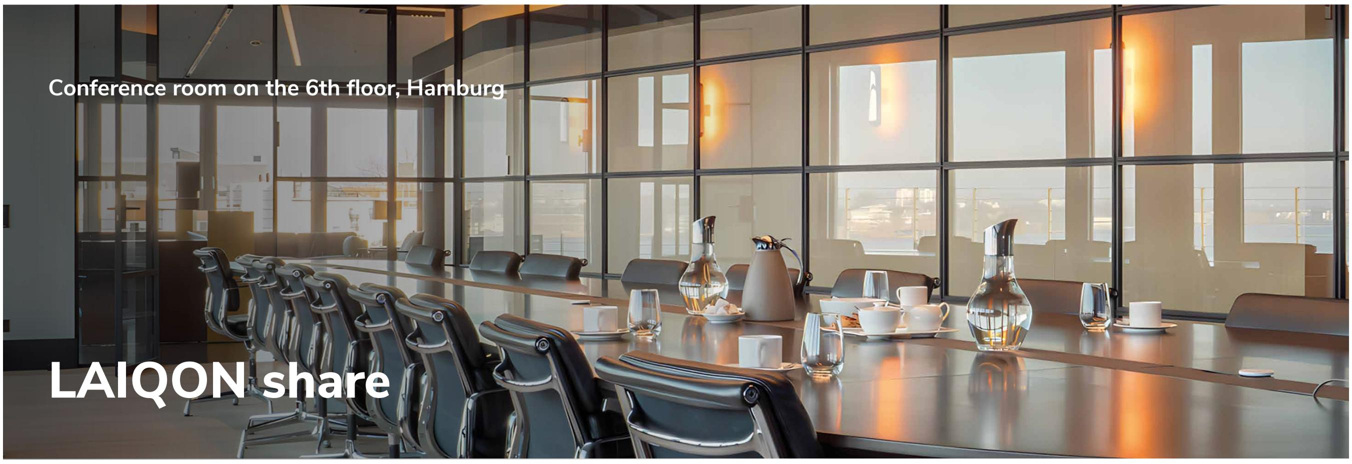
Axel Brosey: We believe that we have a responsibility for making a contribution to limiting the impact of climate change. It is with this in mind that we are seeking to decarbonize GDW on a Paris-aligned basis. In principle, a portfolio manager can make a contribution by investing either in low greenhouse gas emissions or in business models that are decarbonizing through transformation. To do this, we initially take stock by measuring the greenhouse gas (GHG) intensity of the individual companies via Scope 1, 2 & 3. GHG intensity is relevant as a measure as it permits a comprehensive assessment of the climate impact of companies, industries or portfolios. In contrast to absolute emission figures alone, intensity takes into account the scope of economic activity, such as sales. This enables comparable assessments to be made of the environmental impact of different companies regardless of their size in the interests of greater comparability. In a second step, we seek out business models that meet our requirements. On the one hand, we look for low-greenhouse gas business models and, on the other hand, transformation companies that have set themselves a science-based climate target in order to decarbonize. Consequently, we are able to assemble a portfolio that is already relatively low in terms of greenhouse gas and is reducing emissions year for year. Finally, we measure GHG intensity at the portfolio level.

Dr. Spies, the dispute over the US debt ceiling impacted all segments of the bond market. Persistent fears of a recession and inflation rates that are still well above the central bank targets are also sending out conflicting signals. As a fixed-income specialist, where do you still see opportunities for generating income in this situation?

Dr. Tobias Spies: Interest rates are back and that is really good news. After many years, the bond market is once again offering attractive earnings opportunities for all risk appetites. However, there are indeed currently many different opinions as to the outlook for the economy, interest rates and consumer prices moving forward. Rarely has the uncertainty been so great, something which is clearly also related to the geopolitically induced changes. We firmly believe that a bottom-up approach based on fundamentals will be successful in the long term despite the possibility of short-term setbacks. In particular, the fixed-income segments that are subject to investment restrictions or bans, such as subordinated bonds, high yield bonds or non-rated bonds, currently continue to offer attractive investment opportunities.

Together with your team, you manage the two fixed-income funds LF – Sustainable Yield Opportunities (SYO) and LF – assets Defensive Opportunities (ADO). Can you briefly elaborate on the key differences between the two funds?

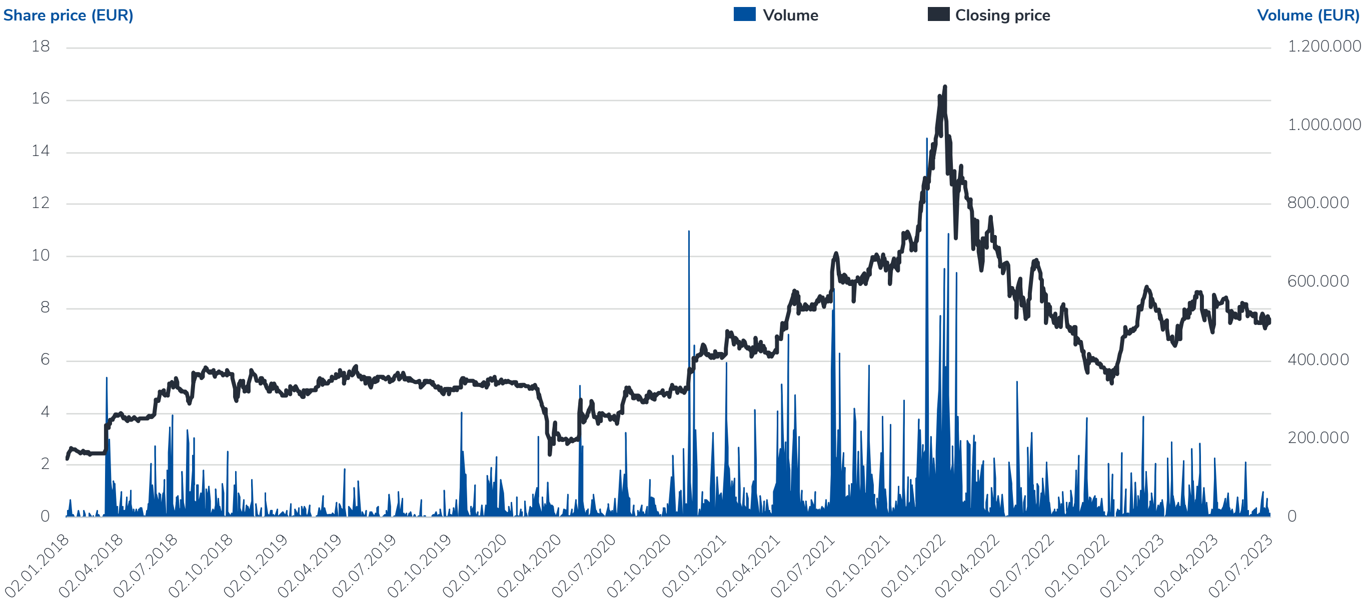
Dr. Tobias Spies: Both funds seek to identify opportunities in the fixed-income market. This includes bonds with a particularly attractive risk/reward profile in the light of the investment objectives of the respective fund. SYO is the more offensive fixed-income fund which aims to outperform overnight money by 3.5% after costs in the long term. On the other hand, ADO is much more defensive. With this fund, we seek to outperform overnight money by 1% after costs in the long term. These different return targets result in variations in the risk parameters, such as the liquidity, rating (leverage or interest coverage ratio) and interest rate risk, for the two funds. For example, ADO invests in bonds with an average duration of a maximum of 1.5 years, while for SYO this figure is usually 3 to 4 years.



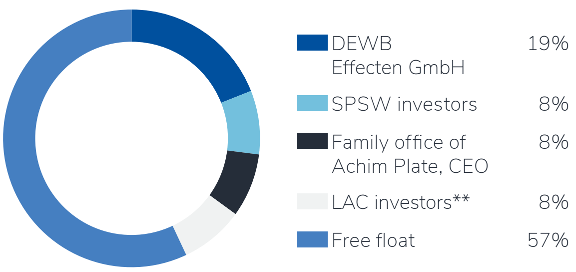
Performance of the LAIQON share

In a highly volatile trading environment, the LAIQON AG share closed the first half of 2023 at a price (XETRA) of EUR 7.50. Market capitalization stood at roughly EUR 131.1 million as of June 30, 2023. Average daily trading volumes in selected German stock exchanges and via Tradegate reached a cumulative figure of roughly 12,000 shares.

Performance of the LAIQON share since 2018



Shareholder structure*



* Figures approximate. Shareholders in companies listed in the Scale segment (open market) of the Frankfurt stock exchange are not required to disclose any changes in their voting rights in accordance with the German Securities Trading Act. The description of the shareholder structure is provided on the basis of the Company's best knowledge free of any liability for errors or omissions. Rev.: June 2023.

** Lange Assets & Consulting GmbH.

Convertible bonds 2023/27 and 2023/28 successfully placed

LAIQON AG completed the placement of two convertible bonds.

In February 2023, it issued convertible bond 2023/27 with a nominal amount of EUR 5.0 million and a term of four years in the form of a prospectus-free private placement subject to the exclusion of the shareholders' pre-emptive subscription rights. It is subject to a coupon of 6.50% per annum.

This was followed in August 2023 by the placement of convertible bond 2023/28 with a nominal amount of EUR 20.0 million. Convertible bond 2023/28 has a term of 5 years and a coupon of 7% per annum.

2023 annual general meeting

At LAIQON AG's annual general meeting, which was held on August 23, 2023, all resolutions on the nine items of the agenda were passed with majorities of up to 99.94 percent. With an average approval rating of 99.43%, this particularly included item 8 of the agenda concerning the re-election of Mr. Jörg Ohlsen (8a) and Prof. Wolfgang Henseler (8b) to the Supervisory Board and the election of Mr. Helmut Paulus (8c) as a new member of the Supervisory Board for a period expiring at the end of the annual general meeting at which resolutions are passed to ratify the actions of the members of the Supervisory Board for the 2027 financial year. Mr. Peter Zahn did not stand for re-election and stepped down from the Supervisory Board with effect from the end of this year's annual general meeting.

Investor relations

LAIQON AG operates in the capital market with transparent and continuous financial communications. Its publications can be viewed in the Investor Relations and Newsroom section of the LAIQON website at www.laiqon.ag.

Analysts

The following banks, research companies and investment firms regularly produced analyses, (brief) studies and updates on LAIQON AG.

Nu Ways (by Hauck Aufhäuser Lampe) Analysts	Updated June 14, 2023 Buy (unchanged), target price: EUR 9.50
SMC Research	Updated May 8, 2023 Buy (unchanged), target price: EUR 13.70
Alster Research	Updated May 4, 2023 Buy (unchanged), target price: EUR 10.75
M.M. Warburg Research	Updated April 6, 2023 Buy (unchanged), target price: EUR 11.00

Performance data of the LAIQON share (LQAG)

Ticker symbol	WKN: A12UP2 ISIN: DE000A12UP29
Trading places	Open market Frankfurt (Scale), Xetra, Open market in Berlin, Düsseldorf, Hamburg, München, Stuttgart and Tradegate
Market segment	Scale
Number of shares*	17,483,396
Corporate brokerage / Designated sponsorship/ Capital market partner	Baader Bank Aktiengesellschaft
First day of trading	October 28, 2005
Class	Bearer shares with a notional share of EUR 1.00 per share in the Company's share capital
Average price H1 2023**	EUR 7.75
Closing price (June 30, 2023) **	EUR 7.50
Trading volumes H1 2023 (average***)	12,000 shares
Market capitalization (June 30, 2023)	Roughly EUR 131.1 million

*As of January 24, 2023; ** Xetra closing price; *** Own calculations of cumulative, selected German stock exchanges based on Bloomberg data.

Group interim management report

Roof terrace at LAIQON's Hamburg offices.

Modern office space on the ground floor, Munich

Group interim management report

1 Business report

1.1 Business performance

The macroeconomic environment, i.e. the Russian attack on Ukraine and its effects, persistently high inflation, concerns over the outlook for growth and macroeconomic conditions again posed a challenge for the global economy and the financial markets in the first half of 2023.

Despite this macroeconomic environment, the LAIQON Group achieved further growth in clients and assets in the first half of 2023. Assets under management increased to around EUR 6.0 billion as of June 30, 2023, equivalent to an increase of roughly 40% over the first half of 2022 (EUR 4.3 billion). The previous year's comparison figure does not include the assets under management attributable to Berlin-based FinTech and Robo-Advisor company growney GmbH, in which LAIQON holds a 75% stake.

All in all, the LAIQON Group generated gross sales of EUR 15.9 million in the first half of 2023. This marks a substantial increase of 80% over the first half of 2022 (EUR 8.8 million). The integration of the acquired companies on the platform and the resultant additional scaling effects as well as the GROWTH 25 initiatives led to a significant improvement in operating earnings. Thus, Group earnings before interest, taxes, depreciation and amortization (EBITDA) improved to EUR -2.0 compared with the first half of 2022 (EUR -6.7 million).

1.2 Material events up until June 30, 2023

Adoption of new LAIQON AG name
With the entry in the commercial register taking effect on January 2, 2023, the Company officially changed its name from Lloyd Fonds AG to LAIQON AG. The Company thus implemented the resolution passed at the 2022 annual general meeting to change its name and to effect the corresponding amendments to its articles of incorporation.

This also involved a change in the stock market ticker to LQAG (previously: L1OA). There has been no change to the previous international securities identification number (ISIN) DE000A12UP29 and the national securities identification number (WKN) A12UP2.

Convertible bond 2023/27 placed
In February 2023, LAIQON AG issued convertible bond 2023/27 with a nominal amount of EUR 5.0 million and a term of four years.

Convertible bond 2023/27 was subscribed to solely by investors in Germany and Luxembourg in a prospectus-free private placement subject to the exclusion of the shareholders' pre-emptive subscription rights.

It is subject to a coupon of 6.50% p.a, payable semi-annually, for the first time on August 21, 2023. The conversion price was set at EUR 10.00 and will be subject to the customary market adjustment mechanisms from 2024 in accordance with the issuance conditions for the convertible bonds (however, dilution protection is excluded for 2023).

The convertible bond was admitted to trading on the open market of the Frankfurt stock exchange under the security identification number ISIN DE000A30V885.

Joint venture established by meine Volksbank Raiffeisenbank eG and BV Bayerische Vermögen GmbH
With the establishment of "meine Bayerische Vermögen" GmbH (mBV), Rosenheim on February 10, 2023, the asset manager BV Bayerische Vermögen GmbH and meine Volksbank Raiffeisenbank eG (mVBRB Rosenheim) pooled their expertise in a joint venture for asset management services in the Upper Bavaria/Munich region.

BV Bayerische Vermögen GmbH holds a 25% stake in mBV. Accordingly, 75% of the shares in the joint venture are held by mVBRB Rosenheim.

Achim Plate's mandate as CEO renewed
On March 29, 2023, the Supervisory Board of LAIQON AG passed a resolution to prematurely renew Dipl.-Ing. Achim Plate's mandate as Chief Executive Officer (CEO) for a further three years from January 1, 2024 until December 31, 2026.

Joint office at Oberanger 43 in Munich
In order to integrate the previous office locations, LAIQON AG moved to new offices in the Munich central business district on March 1, 2023. This pools the Asset Management and Wealth Management capabilities of the Bayerische Vermögen Group and LAIQON AG under a single roof.

Ad hoc bulletin on negotiations with Union Investment Group
On April 20, 2023, LAIQON AG released an ad hoc bulletin announcing the commencement of concrete discussions on a partnership to launch a new investment product with the Union Investment Group.

The specific contents of a potential partnership agreement as well as the details of the product structure are to be the subject of further discussions between LAIQON AG, WealthTech company LAIC and the Union Investment Group.

Interest in QC Partners GmbH acquired
In May 2023, LAIQON AG, together with other parties, acquired a total interest of 80% in the investment boutique QC Partners GmbH, Frankfurt am Main. LAIQON AG initially acquired 30% of the shares and – subject to the approval of BaFin and the successful completion of the holder control proceedings – will thus become the largest shareholder of QC Partners GmbH.

The investment in QC Partners GmbH will provide reinforcement for the further development of solutions for institutional clients and widen the LAIQON Group's capabilities in the Asset Management, Wealth Management and Digital Wealth operating segments.

Convertible bond 2023/28 placed
In May 2023, LAIQON AG issued convertible bond 2023/28 with a nominal amount of up to EUR 20 million and a term of five years under a public offer and a simultaneous private placement. On 24 May 2023, a total of around EUR 19.0 million had been received through subscriptions under the public offer and commitments under the private placement.

Convertible bond 2023/28 is subject to a coupon of 7.00% p.a, payable semi-annually, for the first time on November 24, 2023. The initial conversion price was set at EUR 10.50 and is subject to the customary market adjustment mechanisms from 2024 in accordance with the issuance conditions for convertible bond 2023/28 (however, dilution protection is excluded for 2023).

It was admitted to trading on the open market of the Frankfurt stock exchange under the security identification number ISIN DE000A351P38.

Tokenization project implemented
On June 29, 2023, LAIQON AG announced the implementation of a tokenization project with Volksbank Main-Tauber eG and DORI Vermögensverwaltungs GmbH. Under this transaction, the entity known as Werte NL VMG GmbH, a joint project with Volksbank Main-Tauber eG and DORI Vermögensverwaltungs GmbH, tokenized a bond. This allowed investors to acquire digital tokens that securitized the rights under the tokenized bond. The purpose of the issue is to assemble a portfolio of valuable vintage cars, sports cars and luxury vehicles. For this purpose, the issuer made use of the innovative services of LAIQON Token GmbH, a subsidiary of LAIQON AG.

1.3 Operating segments

Segment reporting has been realigned under the new group name LAIQON in 2023. As of June 30, 2023, the LAIQON Group is composed of four operating segments: LAIQON Asset Management (previously: LLOYD FONDS), LAIQON Wealth Management (previously: LLOYD VERMÖGEN), LAIQON Digital Wealth (previously: LLOYD DIGITAL) and LAIQON Group (previously: LLOYD FONDS GROUP), which are summarized below.

LAIQON Asset Management
The LAIQON Asset Management operating segment offers clients actively managed equity, fixed-income, mixed and single-hedge funds with a clear focus on active alpha strategies. In addition, it manages and supervises special mandates selected for institutional investors.

The assets under management allocated to the LAIQON Asset Management operating segment stood at around EUR 4.0 billion as of June 30, 2023. A total of around 30 retail funds are offered and around 40 special mandates managed.

Collective financial portfolio management in the LAIQON Asset Management operating segment is handled by SPSW Capital GmbH, Hamburg, and MFI Asset Management GmbH, Munich. Both are investment services companies with a license in accordance with Section 15 of the German Securities Institution Act. Universal-Investment-Gesellschaft mbH, Frankfurt am Main, is the capital management company for the funds managed by SPSW Capital GmbH. Further capital management companies are involved in the special mandates managed by MFI Asset Management GmbH.

Active fund management is a key feature of the LAIQON retail funds and individual mandates under management. Each mandate is based on a dedicated investment strategy pursued by the fund manager, who invests on the basis of a carefully researched stock-picking process. The actual value, returns and growth opportunities of a given company form the core of fund management activities.

The LAIQON Group believes that it is essential for funds to be aligned to sustainability requirements. Accordingly, the strategies of individual funds are to be expanded in the future to take full account of sustainable investments in accordance with Articles 8 and 9 of the Sustainable Finance Disclosure Regulation (EU Regulation

2019/2088 of the European Parliament and of the Council of November 27, 2019 on sustainability-related disclosure requirements in the financial services sector).

In addition to the further expansion of sustainability elements in the LAIQON funds, the active component is to be strengthened as a core competence of the LAIQON Asset Management operating segment.

LAIQON Wealth Management

The LAIQON Wealth Management operating segment provides holistic and personal asset management for wealthy and institutional clients as well as for foundations and family offices.

The assets under management allocated to the LAIQON Wealth Management operating segment were valued at around EUR 1.5 billion as of June 30, 2023.

Asset management companies Lange Assets & Consulting GmbH, Hamburg, and BV Bayerische Vermögen GmbH, Munich, form part of the LAIQON Wealth Management operating segment. Both companies provide individual financial portfolio management services and are licensed to offer investment services in accordance with Section 15 of the German Securities Institution Act. In addition, they are members of VuV – Association of Independent Asset Managers in Germany. As well as this, m+c Asset Allocation GmbH provides independent, specialized asset allocation advice for institutional investors.

Lange Assets & Consulting GmbH and BV Bayerische Vermögen GmbH develop and implement holistic and comprehensive asset management strategies as a basis for providing broad personal management and advisory services. In doing so, they offer their clients standardized defensive, balanced and dynamic strategies as well as completely individual strategies. Lange Assets & Consulting has amassed additional expertise in managing family office mandates. The aim here is to offer high-net-worth individuals and institutions end-to-end asset management based on high-performance reporting, which structures the entire assets across various asset managers and different asset classes and optimizes them in line with the client's objectives. In addition, m+c Asset Allocation GmbH offers institutional investors, family offices, banks and asset managers customized advisory concepts for managing their investments. As a specialized allocation consultancy, the core competence lies in strategic and tactical asset allocation, as well as market phase-dependent individual manager selection and targeted monitoring.

With respect to wealth management, the LAIQON Group also attaches importance to raising clients' awareness of sustainability issues and to discussing the potential opportunities and risks at the mandate level. LAIQON Wealth Management's target for 2025 is to fully cover the range of services in accordance with Articles 8 and 9 of the Disclosure Regulation.

LAIQON Digital Wealth

The LAIQON Digital Wealth operating segment offers digital and risk-optimized investment solutions for retail investors and institutional clients via WealthTech company LAIC and FinTech company growney. As well as this, it engages in activities relating to the tokenization of assets via LAIQON Token GmbH.

The assets under management allocated to the LAIQON Digital Wealth operating segment were valued at around EUR 0.5 billion as of June 30, 2023.

WealthTech company LAIC is organized as a subgroup within the LAIQON Group. The LAIC subgroup consists of LAIC Capital GmbH, Hamburg, which oversees the activities of its two subsidiaries, LAIC Intelligence GmbH, Hamburg, and LAIC Vermögensverwaltung GmbH, Hamburg. As an asset manager, LAIC Vermögensverwaltung GmbH provides financial portfolio management and has permission to provide investment services in accordance with Section 15 of the German Securities Institution Act. It is also a member of VuV – Association of Independent Asset Managers in Germany. FinTech company growney GmbH, Berlin, in which LAIQON AG holds a 75% stake as of June 30, 2023, also engages in financial portfolio management and holds a license to provide investment services in accordance with Section 15 of the German Securities Institution Act. LAIQON Token GmbH, Hamburg, is also assigned to the LAIQON Digital Wealth operating segment. Its purpose is to advise and support companies in connection with the issuance of (tokenized) financial instruments.

WealthTech company LAIC offers digital and risk-optimized investment solutions for portfolio optimization for retail investors and institutional clients with a special focus on risk management on the basis of its proprietary, artificial intelligence-based system (LAIC ADVISOR®).

LAIC has integrated a risk management system across its products and services for clients that takes into account their personal circumstances while factoring in adverse impacts on sustainability factors.

growney GmbH is a digital asset manager specializing in direct retail business with ETF-based investment solutions. Digital access is being systematically expanded to include other financial products, such as overnight and fixed-term deposits and digital pension insurance products.

LAIQON Group

The LAIQON Group operating segment mainly comprises the LAIQON Group's administrative processes and sales activities. In addition, it manages the closed-end funds still operating under the Group's legacy business (previously real estate, shipping and other assets). The legacy closed-end funds will continue to be managed until the end of their life cycle (i.e. until they have been fully liquidated) by 53.10. Real Assets Treuhand GmbH, Hamburg, 53.10. Real Estate Management GmbH, Hamburg, 53.10. Special Assets GmbH, Hamburg and TradeOn GmbH, Hamburg. In addition to engaging in trusteeship business, these entities provide services in connection with the sale and financing of the assets, fund management, asset management and the management of the investment entities.

The LAIQON Group's sales activities are currently mainly being managed by LAIC Vermögensverwaltung GmbH as well as LAIQON Solutions GmbH, Hamburg, and LAIQON Financial Service GmbH, Hamburg.

LAIQON Solutions GmbH handles the central processing, co-ordination and management of the distribution activities of the LAIQON Group in the form of sales to retail clients via partner and third-party channels as well as to institutional clients. It holds licenses to perform the activities of a financial investment broker in accordance with Section 34f (1) of the Trade Code and the activities of an insurance broker in accordance with Section 34d (1) of the Trade Code. LAIQON Financial Service GmbH provides support and advice for financial and insurance brokers and also acts as an interface between financial and insurance brokers and the product providers. It holds licenses to perform the activities of an insurance broker in accordance with Section 34d (1) Sentence 2 of the Trade Code and the activities of a financial investment broker in accordance with Section 34f (1) Nos. 1 to 3 of the Trade Code.

2 Results of operations, net assets and financial condition

2.1 Results of operations

The following notes on the Group's results of operations analyze the material developments in the period from January 1 to June 30, 2023.

Results of operations for the period under review compared with the same period in the previous year were as follows.

EUR thous.	H1-2023	H1-2022
Sales	15,866	8,849
Cost of materials	-2,883	-1,599
Staff costs	-10,779	-7,883
Amortization/depreciation	-3,217	-2,204
Net other operating income/expenses	-4,333	-6,332
Share of profit of associates	136	281
Operating earnings (EBIT)	**-5,210**	**-8,888**
Net finance income/expenses	-434	123
Earnings before taxes (EBT)	**-5,643**	**-8,765**
Income taxes	2,587	2,114
Consolidated net profit before non-controlling interests	**-3,057**	**-6,651**
attributable to non-controlling interests	**-189**	**131**
of which consolidated net profit/loss attributable to LAIQON shareholders	**-2,868**	**-6,782**

The following changes arose in connection with sales:

EUR thous.	H1-2023	H1-2022
Income from fund and asset management	14,234	8,849
Income from arrangement and structuring services	1,632	–
Others	–	–
Sales	**15,866**	**8,849**

Compared with the same period in the previous year, sales rose by a total of EUR 7,017 thousand to EUR 15,866 thousand in the first half of 2023. This increase is due to the expanded reporting entity structure and the performance of fund and asset management activities. The fund and asset management income of EUR

14,234 thousand includes commission income of EUR 5,128 thousand earned by SPSW Capital GmbH as well as sales commission of EUR 969 thousand contributed by LAIQON Solutions GmbH. It also includes income of EUR 5,585 thousand generated by the Bayerische Vermögen Group, which was acquired in 2022. Non-recurring income from arrangement and structuring services came to EUR 1,632 thousand in the period under review.

The cost of materials rose by EUR 1,284 thousand over the same period in the previous year to EUR 2,883 thousand due to the expanded reporting entity structure.

The increase in staff costs is particularly attributable to the addition of the employees of the companies acquired in the previous year.

Compared with the previous year, amortization and depreciation increased by EUR 1,013 thousand to EUR 3,217 thousand. In the period under review, depreciation of property, plant and equipment climbed by EUR 388 thousand to EUR 1,278 thousand. The increase of EUR 625 thousand in amortization to EUR 1,939 thousand is mainly due to the amortization of client relationships in connection with the recognition of business combinations.

The decline in net other operating expenses from EUR 6,332 thousand to EUR 4,333 thousand particularly reflects non-recurring income from deconsolidation and lower legal and consulting costs.

Net finance expenses came to EUR 434 thousand, after net finance income of EUR 123 thousand in the previous year. This difference is due to the slight decline in net investment income as well as a small increase in interest expenses.

The net interest expenses of EUR 956 thousand (comparison period: EUR 790 thousand) is due to interest expenses on the convertible bonds issued (EUR 351 thousand), interest expenses on the annuity loan (EUR 324 thousand) and interest expenses in accordance with IFRS 16 (EUR 270 thousand) as well as other interest expenses net of other interest income.

The remaining net finance expenses of EUR 20 thousand includes the fair value measurement of financial assets in accordance with IFRS 9 and are particularly influenced by the measurement of security deposits.

As a result, the LAIQON Group sustained a loss before taxes (EBT) of EUR 5,643 thousand in the first half of 2023 (comparison period: loss of EUR 8,765 thousand).

Net tax income/expenses for the period consists of income from the reversal of deferred income tax liabilities, income from the reversal of income tax provisions and income from the recognition of deferred income tax assets from the initial recognition of call options on non-controlling interests.

No further tax expenses arose in the year under review due to the income tax group established between LAIQON (dominant company) and the subordinate entities.

All told, a consolidated net loss of EUR 2,868 thousand including non-controlling interests was recorded in the first half of 2023 (comparison period: net loss of EUR 6,782 thousand).

Following the realignment of its segment reporting in 2023, the LAIQON Group reports on four operating segments. This section provides further information on the consolidated earnings contributed by the LAIQON Asset Management, LAIQON Wealth Management, LAIQON Digital Wealth and LAIQON Group operating segments.

2.1.1 LAIQON Asset Management segment
The sales of EUR 7,767 thousand consist of income from the management of retail funds and special mandates. Net other operating expenses (EUR 1,318 thousand) mainly comprise IT and license expenses (EUR 536 thousand) as well as legal and consulting expenses (EUR 101 thousand).

2.1.2 LAIQON Wealth Management segment
The sales of EUR 3,482 thousand consist of income from individual asset management for high-net-worth clients and institutional investors. Net other operating expenses (EUR 976 thousand) mainly comprise IT and license expenses (EUR 445 thousand) and legal and consulting expenses (EUR 66 thousand).

2.1.3 LAIQON Digital Wealth segment
The sales of EUR 854 thousand consist of income from the management of digital and risk-optimized investment solutions as well as income from asset tokenization. Net other operating income (EUR 566 thousand) consists of non-recurring income from deconsolidation net of IT and license expenses (EUR 472 thousand) and legal and consulting expenses (EUR 216 thousand).

2.1.4 LAIQON Group segment
The sales of EUR 3,763 thousand consist of EUR 2,446 thousand from the declining legacy business (formerly LLOYD FONDS Real Assets operating segment). Non-recurring commission income was generated through the sale of a number of assets. Net operating expenses include legal and consulting expenses of EUR 1,448 thousand. The segment primarily includes staff costs for the administrative and corporate units such as accounting, legal, communications (IR/PR) including marketing and the Management Board as well as other general operating expenses. Some of the central costs are allocated on a proportionate basis to the other operating segments for the purposes of segment reporting.

2.2 Net assets

The Group's net assets as of June 30, 2023 and December 31, 2022 are analyzed in the following table:

Assets EUR thous.	June 30, 2023	Dec. 31, 2022
Property, plant and equipment and intangible assets	101,734	100,729
Financial assets	4,238	2,613
Deferred income tax assets	18,306	15,003
Receivables and other assets	11,094	11,121
Cash and cash equivalents	13,910	10,375
Total assets	**149,283**	**139,841**

Equity and liabilities EUR thous.	June 30, 2023	Dec. 31, 2022
Consolidated equity	65,622	72,088
Deferred income tax liabilities	18,092	17,052
Financial liabilities	39,088	18,846
Other liabilities	26,481	31,856
Total assets	**149,283**	**139,841**

Total assets rose by EUR 9,442 thousand compared with the end of 2022 to EUR 149,283 thousand as of June 30, 2023. This was due to the following factors:

On the assets side, property, plant and equipment and intangible assets increased by a total of EUR 1,005 thousand to EUR 101,734 thousand. The change of EUR 2,582 thousand in property, plant and equipment to EUR 13,018 thousand reflects new additions during the reporting period and particularly also the systematic depreciation of right-of-use assets in accordance with IFRS 16. The right-of-use assets were valued at EUR 10,370 thousand as of June 30, 2023 (December 31, 2022: EUR 7,569 thousand). This increase is due to the recognition of the newly leased office building in Munich.

Intangible assets declined slightly by EUR 1,577 thousand to EUR 88,716 thousand (December 31, 2022: EUR 90,293 thousand). They include goodwill of EUR 34,288 thousand (December 31, 2022: EUR 34,288 thousand) and intangible assets attributable to business combinations as well as other intangible assets of EUR 54,429 thousand (December 31, 2022: EUR 56,006 thousand). Systematic amortization of EUR 1,939 thousand was recognized.

Financial assets rose by EUR 1,625 thousand to EUR 4,238 thousand. There are no non-current receivables as of the reporting date.

Deferred income tax assets amount to EUR 18,306 thousand as of the reporting date (December 31, 2022: EUR 15,003 thousand) and primarily relate to the future use of the existing unused tax losses.

The Group's cash and cash equivalents increased by a total of EUR 3,535 thousand to EUR 13,910 thousand. Reference should be made to the notes in the section on the Company's financial condition for details of the changes in cash and cash equivalents.

On the other side of the balance sheet, equity came to EUR 65,622 thousand as of June 30, 2023, down from EUR 72,088 thousand as of December 31, 2022. This decline is primarily due to the loss for the period and the initial recognition of the call option on the minority interests in SPSW Capital GmbH.

Non-controlling interests in the equity of the consolidated subsidiaries were valued at EUR 405 thousand as of the reporting date (December 31, 2022: EUR 5,471 thousand).

Financial liabilities climbed by EUR 20,242 thousand to EUR 39,088 thousand and include convertible bond 20/24 in a nominal amount of EUR 4,005 thousand, convertible bond 23/2027 in a nominal amount of EUR 4,652 thousand and convertible bond 23/2028 in a nominal amount of EUR 16,373 thousand. Furthermore, lease liabilities are reported under non-current and current financial liabilities in accordance with IFRS 16. In June 2023, EUR 3,175 thousand of the loan taken out in the previous year was repaid ahead of schedule.

2.3 Financial condition

The Group's financial condition in the first half of the year compared with the same period in the previous year is set out below:

EUR thous.	H1-2023	H1-2022
Consolidated net profit before non-controlling interests	-3,057	-6,651
Non-cash income and expenses	928	2,811
Changes in working capital	-4,554	4,013
Interest and income taxes received and paid	-337	-197
Cash flow from operating activities	**-7,020**	**-25**
Cash flow from investing activities	-430	-7,634
Cash flow from financing activities	10,985	3,624
Net decrease/increase in cash and cash equivalents	**3,535**	**-4,034**
Cash and cash equivalents at the beginning of the period	10,375	16,331
Cash and cash equivalents at the end of the period	**13,910**	**12,297**

Net cash outflow from operating activities came to EUR 7,020 thousand as of the reporting date. The change in working capital resulted in a deduction of EUR 4,554 thousand from the cash flow from operating activities. The decline in working capital was particularly due to changes in receivables and liabilities as of the reporting date as well as the recognition of deferred income tax assets. In addition, the cash flow includes non-cash income and expenses of EUR 928 thousand, which particularly arose from the depreciation of non-current assets (EUR 3,200 thousand) and non-recurring income from deconsolidation in the period under review.

The cash flow from investing activities mainly resulted from capital expenditure of EUR 876 thousand on property, plant and equipment and intangible asset as well as the proceeds from disposals of consolidated companies.

The cash flow of EUR 10,985 thousand from financing activities was particularly impacted by income from the issue of convertible bonds (EUR 23,480 thousand), the settlement of purchase price liabilities (EUR 8,432 thousand) and the partial repayment of a loan.

Allowing for the aforementioned changes, free cash and cash equivalents increased by EUR 3,535 thousand to EUR 13,910 thousand in the period under review.

3 Employees

LAIQON Group attaches prime importance to its employees, as they are the key to its business success and the successful implementation of Strategy 2023/25 2.0. In this connection, the ongoing challenge for the Company will be to position itself in the market as an attractive employer in order to gain new talents in the tight market for specialists.

In addition to attractive working conditions and remuneration models, it will be particularly important to assemble a team from many new employees working together towards the implementation of the defined goals. High employee satisfaction is to be achieved thanks to a dynamic and positive spirit, resulting in above-average willingness to perform.

Flexible work opportunities through mobile working, individual training opportunities and open, transparent communications form the basis for a good work-life balance for employees.

LAIQON Group employees are paid fixed and variable salary components. The variable remuneration is based on both the Company's goals and individually agreed objectives. Certain employees of the LAIQON Group are additionally eligible to participate in a stock option program.

On June 30, 2023, the LAIQON Group, including the Bayerische Vermögen Group and growney GmbH, had 157 employees (not including the Management Board, employees on maternity or parental leave, apprentices and temporary staff). The Company's employees have an average age of around 44 years. Roughly 73% are male and roughly 27% female.

4 Risk report

The detailed risk report starts on page 47 of the annual report for 2022. The following changes in the risk assessments have arisen since the reporting date on December 31, 2022:

5.3.3. Risks from the acquisition of BV Bayerische Vermögen GmbH, MFI Asset Management GmbH and m+c Asset Allocation GmbH.
Given the progress achieved in the integration process, the probability of the risk occurring has dropped to a low level.

5.3.7. Sales risks:
From the perspective of the LAIQON Group, the risk of sales activities being restricted due to measures taken to contain the Covid-19 pandemic can be discarded.

The overall assessment of the risk situation (5.7.) continues to apply.

5 Material events occurring after the reporting date

On July 14, 2023, LAIQON AG repaid the outstanding amount of EUR 2,625 thousand under the annuity loan. Financial liabilities and cash and cash equivalents decreased accordingly by this amount.

As of August, the remaining amount under convertible bond 23/28 had been fully utilized as a result of further subscriptions totaling EUR 1,520 thousand. Accordingly, convertible bond 23/28 has been placed in full.

Annual general meeting 2023
At LAIQON AG's annual general meeting, which was held on August 23, 2023, all resolutions on the nine items of the agenda were passed with majorities of up to 99.94 percent. With an average approval rating of 99.43%, this particularly included item 8 of the agenda concerning the re-election of Mr. Jörg Ohlsen (8a) and Prof. Wolfgang Henseler (8b) to the Supervisory Board and the election of Mr. Helmut Paulus (8c) as a new member of the Supervisory Board for a period expiring at the end of the annual general meeting at which resolutions are passed to ratify the actions of the members of the Supervisory Board for the 2027 financial year. Mr. Peter Zahn did not stand for re-election and stepped down from the Supervisory Board with effect from the end of this year's annual general meeting.

LAIQON AG broadens sustainability expertise through partnership with Atacama Partners GmbH
LAIQON's expertise in sustainable investing was additionally expanded through the partnership forged with Atacama Partners. The aim is to leverage that company's expertise in digitization, transformation and complementary sustainability perspectives for joint product solutions. As the first investment fund initiated under the partnership with Atacama Partners GmbH, LF – European Emerging Champions was strategically realigned and renamed. The new LF – Atacama Global Equity Impact Opportunities equity fund, for which Atacama Partners GmbH acts as investment advisor, is subject to the disclosure requirements in accordance with Article 9 of the SFDR.

6 Outlook report

6.1 Macroeconomic and sector environment

The following section includes assumptions the occurrence of which is not certain. If one or more of these assumptions fail to eventuate, actual results or developments may differ substantially from the forecasts presented here.

6.1.1 Developments in the global economy

The global economy is in difficult waters. Thus, the International Monetary Fund (IMF) has scaled back its April 2023 growth forecast for this year to 2.8%. The OECD projected 2.6% growth for the global economy in mid-March. A genuine recovery is not expected until 2024 (IMF: 3.0%, OECD: 2.9%), with this forecast subject to uncertainties. The research institutes commissioned by the Federal Government to carry out the joint diagnosis arrive at very similar assessments: They also see the global economy as muted and do not expect any improvement until 2024 (2.0% in 2023 and 2.6% in 2024).

The main factors driving this adverse situation are the loss of purchasing power as a result of high inflation and economic uncertainty, due, among other things, to Russia's attack on Ukraine. This is being exacerbated by the visible consequences of monetary tightening. Rising interest rates are placing a damper on capital spending and exerting pressure on the financial markets. As well as this, the fiscal support programs introduced to cushion the effects of the Covid-19 pandemic are also being phased out, leaving corresponding traces in many countries.

The outlook for the global economy largely hinges on the speed with which the highly inflationary environment can be brought under control. The sharp interest rate hikes in recent months in many countries are now beginning to make themselves felt: Inflation rates in the large economies have been on the decline again since mid-2022 (United States, Canada) and the end of 2022 (EU). However, these countries are still far off their inflation targets. The IMF sees global inflation at 7% this year and 4.9% in 2024.

The German economy has been feeling the effects of high inflation, which, however, is now slowly receding. As a result and in the wake of significantly rising wages and a resilient employment market, private households' real incomes and consumer spending are gradually recovering. However, higher borrowing costs as a result of tighter monetary policy are retarding private investment, particularly in the housing sector. Moreover, the stronger euro and high wage increases are impeding exports. Even so, they are rising at a moderate rate thanks to higher foreign demand. As a result of the muted start to 2023, real gross domestic product (GDP) declined by an annual average of 0.3% adjusted for calendar effects. The German economy is expected to grow by 1.2% in 2024 and by 1.3% in 2025.

6.1.2 Conditions in the capital market

In 2023, the capital markets are taking their cues from uncertainty over inflation, monetary policy, financial market stability and the macroeconomic situation. Accordingly, LAIQON AG assumes that they will remain susceptible to heavy volatility in the second half of 2023. While inflation is expected to have peaked in the United States, in the EU it will probably fall only slightly in the course of the year. Accordingly, the outlook for the economy and the labor market will remain decisive in both regions. The US economy is unlikely to slip into recession. The same thing basically also applies to the Eurozone, albeit with a delay. A sustained upturn in either region is not likely to emerge before 2024. The collapse of several banks also weighed on the markets in the first half of 2023. The sharp rise in interest rates in conjunction with the economic slowdown hit those banks with a fragile business model hard, especially in the United States. However, the banking system as a whole has proven to be resilient, both in the United States and in Europe.

In terms of individual asset classes, further increases in yields on government bonds are unlikely, while corporate bonds should remain attractive. Conditions in the equity markets, which have already recovered noticeably since autumn 2022, look set to remain challenging over the next few months. Further sustained increases will hinge on a reliable outlook, especially with regard to the economy. In particular, company margins and profits are likely to play a decisive role in the face of robust wage pressure. However, the expected stabilization of the economy should give the stock markets a boost again, especially in 2024. At the same time, large structural movements, such as artificial intelligence as well as the green transformation, may offer speculative appeal.

6.2 Outlook for the Company

The LAIQON Group continued to achieve further growth in clients and assets in the first half of 2023. Assets under management increased to around EUR 6.0 billion as of June 30, 2023, equivalent to an increase of roughly 40% over the first half of 2022 (EUR 4.3 billion). The comparison figure for the previous year does not include the assets under management attributable to Berlin-based FinTech and Robo-Advisor company growney GmbH, in which LAIQON holds a stake.

All in all, the LAIQON Group generated gross sales of EUR 15.9 million in the first half of 2023. This marks a substantial increase of 80% over the first half of 2022 (gross sales of EUR 8.8 million). The ongoing integration of the acquired companies on the platform and the resultant additional scaling effects as well as the GROWTH 25 initiatives led to a significant improvement in operating earnings.

Thus, Group earnings before interest, taxes, depreciation and amortization (EBITDA) improved to EUR -2.0 compared with first half of 2022 (EUR -6.7 million).

The change of name to LAIQON AG in January 2023 was a signal to market participants that the realignment of the Company has now largely been completed. At the same time, it aims to significantly boost market awareness of the Company.

Between 2018 and 2022, the transformation of the LAIQON Group into a listed, bank-agnostic asset manager was implemented on the basis of Strategy 2019+ and Strategy 2023/25 1.0.

Looking ahead to the coming years, LAIQON AG has developed the 2023/25 2.0 strategy, implementation of which will be decisive for the Group's continued growth. Under this strategy, the LAIQON Group plans to establish itself permanently as an asset management factory in the German financial services market by expanding and deepening its existing structures as a premium-quality provider with a full range of sustainable products and solutions. The LAIQON Group is active in four major growth markets, namely asset management, wealth management, digital wealth and advisory.

The purpose of Strategy 2023/25 2.0 is to align the entire LAIQON Group more closely to the new, modern clients and their needs. The expansion of these user-centric structures is a key driver underpinning the Company's growth strategy.

LAIQON AG believes that climate change and its impact currently pose the greatest challenge to society, politics, the economy, capital markets and consumers. It is convinced that clients' individual sustainability preferences will continue to increase significantly. Reflecting this realization, sustainability is a core element of the corporate strategy that goes beyond a consideration of the customary ESG criteria. The aim of Strategy 2023/25 2.0 is to ensure that the Group's entire portfolio of wealth products and solutions takes account of the Sustainable Development Goals and complies with Articles 8 and 9 of the Disclosure Regulation.

The core component of the platform strategy is LAIQON Digital Asset Platform 4.0, the Group's proprietary cloud-based digital infrastructure. It provides the basis for all internal and external business, processing and support workflows within the Group. The strengths and potential of LAIQON DAP 4.0 lie in the depth and breadth of its support for all of the Group's functions and tasks on the basis of an integrated objective and strategy.

One key element of Strategy 2023/25 2.0 concerns the further development of LAIQON DAP 4.0. The goal is to address a growing number of clients through a further increase in the automation of all internal and external workflows, to continue leveraging large quantities of data and to offer an increasingly wider range of products and solutions.

With GROWTH 25, the projected continuation of the disproportionately strong growth in assets under management is expected to remain the main driver of future earnings in the implementation of the expanded strategy 2023/25 2.0.

The LAIQON Group currently offers its clients more than 50 wealth products and solutions. All solutions are based on IQ, i.e. the skills and experience of the fund and asset managers, as well as on the knowledge of the developers and digital experts, who continue to work on artificial intelligence. By combining human and artificial intelligence, it will be possible to drive forward the development of premium solutions.

Sales and marketing will be a key differentiating factor in the marketplace and in the implementation of GROWTH 25. Special attention will thus be paid to the ongoing development of sales, marketing and communications as well as new products and innovations. With respect to sales, the team is to continue growing as a single unit. By pooling skills, it will be possible to eliminate the current focus of sales staff on single target groups and to enable the broad-based distribution of all LAIQON products and solutions across all partners and client groups. In addition to the planned further structured expansion of the multi-client capabilities of the platform, the focus is also on digital, data-driven client acquisition and relationship management. A further goal is to arouse greater public and client attention, to reinforce the Group's public reputation and to thus achieve growth by significantly strengthening the brand. With respect to wealth products and solutions, the focus will be on launching further innovative impact products in accordance with Article 9 of the Disclosure Regulation. In addition, "Tokenization as a Service" activities are to be additionally expanded.

LAIQON AG has defined clear objectives in connection with the further implementation of the GROWTH 25 plans described above. Thus, assets under management are to be increased to EUR 8 – 10 billion by 2025, with this growth expected to be mainly organic. However, further acquisitions are not ruled out provided that they enhance the Group's strategic orientation. The Company is targeting an EBITDA margin of over 45% relative to net sales (on the basis of the average historic performance fees generated on the LAIQON Group's product range) by the end of 2025.

6.3 Opportunities

6.3.1 Overall assessment

The LAIQON Group is a premium-quality provider that as an asset management factory addresses both private individuals and institutional investors with a full range of sustainable products and solutions. By leveraging and expanding its strengths and skills, the Company is striving to make the best possible use of the opportunities presenting themselves. Material opportunities will be derived from the following factors:

6.3.2 Positioning in growth markets
The Company is positioning itself in asset management, wealth management, digital wealth and advisory, all of which are also seen globally as major growth markets. The element connecting these markets and the efforts to address them as efficiently as possible is the immense growth in global data and the systematic use of this data also in capital investments. Thanks to the platform strategy established in 2018, the Company can meet the projected high demand for quality-oriented wealth products and solutions from retail and institutional investors.

6.3.3 User centricity/multi-client capability
The platform strategy implemented via Digital Asset Platform 4.0 provides an opportunity for offering highly scalable data-driven solutions for clients and partners for all client groups and sales partners. The cloud architecture of the platform also enables the system to be scaled to match growing requirements, while the infrastructures can be adapted quickly and individually to meet client needs. This allows any number of partners to be connected to the platform. This multi-client capability will potentially provide a decisive advantage in a highly competitive market.

6.3.4 Specialist teams
The Company has teams of specialists who contribute their reputation, contacts and investment experience to the Company for the benefit of its clients. The two most recent acquisitions – Bayerische Vermögen Group and growney GmbH – offer an opportunity for significantly expanding the existing network and leveraging the experience and contacts of the local management and teams. This will continue to provide an opportunity for accessing new target groups and for responding to changing requirements.

6.3.5 Innovativeness
The transformation of the asset management industry, coupled with the accelerated pace of digitization and heightened transparency, necessitates the ongoing adaptation of strategies and business models together with constant innovation as a basis for success in this increasingly dynamic environment. Product providers must pursue multi-pronged growth strategies, invest heavily in data and technologies and be flexible in terms of partnerships and collaborations. The LAIQON Group has already repeatedly demonstrated its innovativeness, for example by setting up the hybrid investment platform and by providing innovative wealth products and solutions. This innovativeness can be a decisive competitive advantage.

6.3.6 Full-service provider
As a full-service provider, the Company has built up a highly diversified range of products and solutions. It currently has more than 50 wealth products and solutions offering opportunities for addressing almost all client groups, either with standardized products or in the form of individual solutions.

6.3.7 Focus on SDG/impact investing
Another priority for the Company will be sustainable investment. Looking forward, the Company intends to play a leading role in this area with a portfolio of products and solutions that seeks to comply with Articles 8 and 9 of the Sustainable Financial Disclosure Regulation. This offers opportunities for addressing clients' heightened demand for sustainable products and solutions and for allowing the Company to set itself apart from the competition in a favorable way.

6.3.8 Transparency
Transparency is an important criterion in investment decisions for both retail and institutional investors. The LAIQON Group is seeking to set itself apart from the competition through transparent active asset management. The goal is to inform all target groups as best as possible about the products and their performance. This offers opportunities for generating added value for customers and creates trust in the brand. As a member of the Scale segment of the Frankfurt stock exchange, LAIQON AG also meets the transparency requirements applicable to providers of capital investments and has also decided to adopt certain recommendations of the German Corporate Governance Code and the DVFA Scorecard for Corporate Governance, despite the fact that it is currently not under any obligation to do so due to its listing in the open market.

Hamburg, August 29, 2023

The Management Board of LAIQON AG

Achim Plate Stefan Mayerhofer

Interim consolidated financial statements

1 Consolidated income statement

for the period from January 1 to June 30, 2023

EUR thous.	Note	H1-2023	H1-2022
Sales	6.6.1	15,866	8,849
Cost of materials	6.6.2	-2,833	-1,599
Staff costs	6.6.3	-10,779	-7,883
Depreciation	6.6.4	-3,217	-2,204
Net other operating income/expenses	6.6.5	-4,333	-6,332
Share of profit of associates	6.6.6	136	281
Net profit from operating activities		**-5,210**	**-8,888**
Finance income	6.6.7	623	2,502
Finance expense	6.6.7	-1,057	-2,378
Earnings before taxes		**-5,643**	**-8,765**
Income taxes	6.6.8	2,587	2,114
Consolidated net profit before non-controlling interests		**-3,057**	**-6,651**
of which attributable to non-controlling interests		**-189**	**131**
of which consolidated net profit/loss attributable to LAIQON shareholders		**-2,868**	**-6,782**
Earnings per share in the reporting period (EUR per share)			
Basic	6.6.9	-0.16	-0.45
Diluted	6.6.9	-0.12	-0.45

The notes on pages 53 - 63 are an integral part of this interim financial report.

2 Consolidated statement of comprehensive income

for the period from January 1 to June 30, 2023

EUR thous.	H1-2023	H1-2022
Consolidated net profit before non-controlling interests	-3,057	-6,651
attributable to non-controlling interests	-189	131
attributable to LAIQON shareholders	-2,868	-6,782

The notes on pages 53 - 63 are an integral part of this interim financial report.

3 Consolidated balance sheet

as of June 30, 2023 in comparison to December 31, 2022

EUR thous.	Note	June 30, 2023	Dec. 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	6.7.1.	13,018	10,436
Intangible assets	6.7.2.	88,716	90,293
Investments in associates accounted for using the equity method	6.7.3.	2,300	570
Financial assets at fair value through profit and loss	6.7.4.	1,264	1,180
Deferred income tax assets	6.7.5.	18,306	15,003
		123,604	**117,483**
Current assets			
Trade receivables and other receivables	6.7.6.	10,389	9,942
Receivables from related parties		38	37
Financial assets at fair value through profit and loss	6.7.4.	674	863
Current income tax assets	6.7.7.	667	1,142
Cash and cash equivalents	6.7.8.	13,910	10,375
		25,679	**22,359**
Total assets		**149,283**	**139,841**
Equity			
Share capital	6.7.9.1.	17,483	17,483
Share premium	6.7.9.2.	48,651	47,185
Retained earnings		-917	1,948
Capital and reserves attributable to the Parent Company's equity holders		**65,462**	**66,617**
Non-controlling interests	6.7.9.3.	405	5,471
Total equity		**65,622**	**72,088**
Liabilities			
Non-current liabilities			
Net assets attributable to other limited partners	6.7.10.	4,365	4,359
Trade payables and other liabilities	6.7.11.	8,103	5,628
Financial liabilities	6.7.12.	34,657	16,535
Liabilities to related parties	6.7.14.	363	997
Other provisions	6.7.13.	326	310
Deferred income tax liabilities	6.7.5.	18,092	17,052
		65,906	**44,881**
Current liabilities			
Trade payables and other liabilities	6.7.11.	11,509	16,029
Liabilities to related parties	6.7.14.	1,037	2,551
Financial liabilities	6.7.12.	4,431	2,311
Current income tax liabilities	6.7.7.	778	1,982
		17,755	**22,872**
Total liabilities		**83,661**	**67,753**
Total equity and liabilities		**149,283**	**139,841**

The notes on pages 53 - 63 are an integral part of this interim financial report.

4 Consolidated cash flow statement

for the period from January 1 to June 30, 2023

EUR thous.	Note	H1-2023	H1-2022
Cash flow from operating activities			
Consolidated net profit before non-controlling interests		-3,057	-6,651
Depreciation and amortization of non-current assets	6.6.4	3,200	2,192
Profit from the disposal of non-current assets		17	12
Other non-cash transactions	6.8.1	-2,289	607
Changes to trade receivables and other receivables		-3,743	7,079
Changes to trade payables and other liabilities		142	-1,623
Changes to liabilities to related parties		-1,518	-1,215
Changes to other provisions		17	-228
Interest paid		-337	-197
Dividends and profit distributions received		548	–
Net cash generated from/used in operating activities		**-7,020**	**-25**
Cash flow from investing activities			
Payments made for purchases of:			
Property, plant and equipment and intangible assets		-876	-521
Financial assets at fair value through profit or loss and investments in associates accounted for using the equity method		-144	-2,346
Proceeds from the disposal of:			
Property, plant and equipment and intangible assets		1	1
Financial assets at fair value through profit or loss and investments in associates accounted for using the equity method		13	144
Cash acquired from additions to the reporting entity structure	.	–	5,930
Payments made for additions to the reporting entity structure	.	–	-10,842
Payments received for disposals from the reporting entity structure	6.2.	576	–
Net cash generated from/used in investing activities		**-430**	**-7,634**
Cash flow from financing activities			
Repayment of purchase price liabilities		-8,432	-9,233
Payments received from the issue of convertible bonds	6.7.12	23,480	–
Payments received from borrowings		–	6,500
Repayment of financial liabilities		-4,063	-779
Payments received from cash equity issues		–	7,136
Net cash generated from/used in financing activities		**10,985**	**3,624**
Net decrease in cash and cash equivalents		**3,535**	**-4,034**
Cash and cash equivalents at January 1		10,375	16,331
Cash and cash equivalents on June 30	6.8.2.	**13,910**	**12,297**

The notes on pages 53 - 63 are an integral part of this interim financial report.

5 Consolidated statement of changes in equity

for the period from January 1 to June 30, 2023

EUR thous.	Share capital	Share premium	Retained earnings	Non-controlling interests	Total equity
Amount on January 1, 2022	**13,326**	**17,764**	**12,173**	**5,099**	**48,362**
Total other comprehensive income	–	–	-6,782	–	-6,782
Stock option program	–	122	–	–	122
Consolidated net profit attributable to non-controlling interests	–	–	–	131	131
Cash capital contribution	615	6,765	–	–	7,380
Non-cash capital contribution	570	5,114	–	–	5,684
Convertible bond	1,004	5,096	–	–	6,100
LAIC Intelligence GmbH options	–	8	–	–	8
Withdrawals from share premium account	–	-5	–	–	-5
Additions to the reporting entity structure	–	–	–	530	530
Amount on June 30, 2022	**15,515**	**34,865**	**5,391**	**5,760**	**61,531**
Amount on January 1, 2023	**17,483**	**47,185**	**1,948**	**5,471**	**72,088**
Total other comprehensive income	–	–	-2,868	–	-2,868
Stock option program	–	15	–	–	15
Consolidated net profit attributable to non-controlling interests	–	–	–	-189	-189
Convertible bond	–	1,794	–	–	1,794
LAIC Intelligence GmbH options	–	-178	–	–	-178
SPSW Capital GmbH options	–	–	–	-5,042	-5,042
Additions to the reporting entity structure	–	-165	3	165	3
Amount on June 30, 2023	**17,483**	**48,651**	**-917**	**405**	**65,622**

The notes on pages 53 - 63 are an integral part of this interim financial report.

6 Notes to the consolidated financial statements
for the interim financial statements as of June 30, 2023

6.1 Recognition and measurement methods

The consolidated interim financial statements as of June 30, 2023 have been prepared voluntarily in accordance with international accounting standards. All figures are reported in thousands of euros. This may result in rounding differences between the individual parts of the financial statements. LAIQON AG's interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted and published by the International Accounting Standards Board (IASB) as endorsed by the European Union (EU) on or before June 30, 2023. In accordance with IFRS guidance (IAS 34 Interim Financial Reporting), these interim financial statements have been prepared in condensed form compared with the consolidated financial statements as of December 31, 2022.

There were no changes in any of the other accounting policies described in the notes to the consolidated financial statements as of December 31, 2022. Accordingly, these interim financial statements must be read in the light of the disclosures made in the consolidated financial statements for 2022.

New standards and interpretations that must be applied for the first time in the period under review:

- IFRS 17 "Insurance Contracts" in the version amended by the amendments to IFRS 17 and IFRS 4 (to be applied from January 1, 2023 for the first time; endorsed on November 19, 2021)

- Disclosure of Accounting Methods – Amendments to IAS 1 "Presentations of Financial Statements" IFRS Practice Statement 2 and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (to be applied from January 1, 2023 for the first time; endorsed on March 2, 2022)

- Deferred Taxes Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 (to be applied from January 1, 2023 for the first time).

New standards and interpretations that do not yet have to be applied in the reporting period:

- Non-Current Liabilities with Covenants (Amendment to IAS 1) (to be applied for the first time from January 1, 2024)

- Lease Liabilities in a Sale-and-Leaseback – Amendments to IFRS 16 (to be applied for the first time from January 1, 2024).

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (date pending).

In connection with the amendments to IAS 12, the LAIQON Group recognized deferred income taxes on significant new leases. Other than this, the first-time application of the amendments mentioned above did not have any material effects on the consolidated financial statements.

6.2 Reporting entity structure

The reporting entity structure comprises the Parent Company as well as 24 (December 31, 2022: 25) fully consolidated subsidiaries

Company	Share held by Group
LAIQON Financial Service GmbH, Hamburg	60.0%
growney GmbH, Berlin	75.0%
growney Technology & Service GmbH, Berlin	75.0%
LAIC Intelligence GmbH, Hamburg	80.0%
LAIC AIF Token GmbH & Co. KG, Hamburg	82.36%
Lange Assets & Consulting GmbH, Hamburg	90.0%
SPSW Capital GmbH, Hamburg	90.0%
BV Bayerische Vermögen GmbH, Munich	100.0%
MFI Asset Management GmbH, Munich	100.0%
m+c Asset Allocation GmbH, Munich	100.0%
LAIC Capital GmbH, Hamburg	90.25%
LAIC Vermögensverwaltung GmbH, Hamburg	90.25%
LAIC AIF GmbH, Hamburg	100.0%
LAIC AIF Token Mitarbeiter GmbH & Co. KG, Hamburg	100.0%
LAIC AIF KVG GmbH, Hamburg	100.0%
LAIQON Solutions GmbH, Hamburg	100.0%
LAIQON Token GmbH, Hamburg	100.0%
53.10. Real Assets Treuhand GmbH, Hamburg	100.0%
53.10. Real Estate Management GmbH	100.0%
53.10. Consulting GmbH, Hamburg	100.0%
53.10. Special Assets GmbH, Hamburg	100.0%
Trade On GmbH, Hamburg	100.0%
PPA Beteiligungsgesellschaft GmbH, Hamburg	100.0%
2. Lloyd Fonds Shipping Beteiligung GmbH & Co. KG, Hamburg	48.9%

In February 2023, LAIC Capital GmbH sold a total of 30% of the shares in V:KI GmbH in connection with sales partnerships. From the Group's perspective, the rights set out in the articles of association only result in scope for the exercise of significant influence, as a result of which V:KI GmbH was deconsolidated with effect from February 16, 2023 and subsequently accounted for using the equity method. Income from deconsolidation is recognized within other operating income (see Note 6.6.5).

BV Bayerische Vermögen GmbH holds 25% of the shares in meine Bayerische Vermögen GmbH, which was established on February 10, 2023. The company was entered in the commercial register on May 3, 2023. Its purpose is to manage its own assets for its own account. meine Bayerische Vermögen GmbH is accounted for in the consolidated financial statements using the equity method.

On May 31, LAIQON AG completed a cash capital increase at growney GmbH through the payment of EUR 1 million. As a result, its share in growney GmbH widened from 73.6% to 75%.

6.3 Capital management

The objectives of the LAIQON Group with regard to capital management are to maintain an adequate level of equity on a sustained basis and to generate an appropriate return on the capital employed. In this connection, top priority is given to the Group's credit rating. The Group monitors its capital on the basis of absolute amounts in the light of the equity ratio. Future movements in capital and possible capital requirements are identified on the basis of an integrated planning model for the coming five years.

The dividend policy forms an element in the management of LAIQON AG's capital structure. No dividend was distributed for the 2022 financial year in view of the realignment of the Group and the associated planned investments.

As of June 30, 2023, the LAIQON Group's equity stood at EUR 65,622 thousand, compared with EUR 72,088 thousand at the end of the previous year. The equity ratio came to 43.96% as of the reporting date (December 31, 2022: 51.55%).

6.4 Changes in critical accounting estimates and assumptions

All estimates and assumptions are continually evaluated and are based on historical experience and other factors including expectations of future events which are believed to be probable under the circumstances. The Group makes estimates and assumptions concerning the future. The amounts derived from such estimates may by definition vary from the later actual circumstances.

6.5 Segment report

Segment reporting was revamped in 2023 to reflect the integration of the companies that had been acquired in the previous year. The previous business activities in the LLOYD FONDS LIQUID ASSETS segment will be strengthened by the acquired companies and managed as separate operating segments. The previous segments LLOYD FONDS REAL ASSETS and LLOYD FONDS GROUP have been combined with sales activities to form a single operating segment. Accordingly, the LAIQON Group now consists of the following operating segments: LAIQON Asset Management, LAIQON Wealth Management, LAIQON Digital Wealth and LAIQON GROUP (see Section 1.3 of the management report).

LAIQON Asset Management

- Management of actively managed equity, fixed-income, mixed and single hedge funds
- Individual funds for institutional investors (special mandates)

LAIQON Wealth Management

- Holistic and personal asset management as well as independent specialized allocation advice for wealthy and institutional clients

LAIQON Digital Wealth

- Digital and risk-optimized investment solutions for private investors and institutional clients using artificial intelligence
- Tokenization as a service for assets or debt instruments

LAIQON Group

The "LAIQON GROUP" operating segment primarily comprises staff costs for the administrative and corporate units such as accounting, legal, communications (IR/PR) including marketing and the Management Board as well as other general operating expenses, e.g. rental, office and IT expenses. Depending on their type, some of the central costs are allocated on a proportionate basis to the other operating segments for the purposes of segment reporting.

In addition to central organizational tasks, the sales activities for the products of the other operating segments are bundled within the LAIQON Group operating segment. This segment also includes the legacy activities in connection with the purchase and sale of assets for third parties in the real estate, shipping and secondary-market ship fund segments.

The comparative figures for the same period of the previous year are presented in accordance with the previous breakdown as well as in the current segment structure. However, a full comparison is not possible as extensive changes were made to the reporting entity structure in 2022, which had not been or were only partially implemented in the first half of 2022 (see Note 6.2 to the consolidated financial statements in the 2022 Annual Report).

Segment profit/loss for the first half of 2023 breaks down as follows:

H1-2023 EUR thous.	ASSET MANAGEMENT	WEALTH MANAGEMENT	DIGITAL WEALTH	LAIQON GROUP	Total
External sales	7,767	3,482	854	3,763	15,866
Cost of materials	-931	-116	-303	-1,533	-2,883
Staff costs	-3,740	-2,967	-1,768	-2,304	-10,779
Net other operating income/expenses	-1,318	-976	566	-2,604	-4,333
Share of profit of associates	–	–	–	136	136
Segment EBITDA	**1,777**	**-577**	**-651**	**-2,542**	**-1,993**

Reconciliation of segment earnings (EBITDA) with consolidated earnings after allocation of non-controlling interests

Segment EBITDA	**-1,993**
Amortization/depreciation	-3,217
EBIT	**-5,210**
Net finance income/expenses	-434
EBT	**-5,643**
Income taxes	2,587
Consolidated net profit before non-controlling interests	**-3,057**
of which attributable to non-controlling interests	**-189**
of which Consolidated net profit after allocation of non-controlling interests	**-2,868**

H1-2022 EUR thous.	ASSET MANAGEMENT	WEALTH MANAGEMENT	DIGITAL WEALTH	LAIQON GROUP	Total
External sales	5,492	1,232	329	1,796	8,849
Cost of materials	-161	-83	-220	-1,136	-1,599
Staff costs	-3,224	-1,003	-1,567	-2,088	-7,883
Net other operating income/expenses	-1,194	-298	-1,171	-3,669	-6,332
Share of profit of associates	–	–	–	281	281
Segment EBITDA	**914**	**-152**	**-2,630**	**-4,816**	**-6,684**

Reconciliation of segment earnings (EBITDA) with consolidated earnings after allocation of non-controlling interests

Segment EBITDA	**-6,684**
Amortization/depreciation	-2,204
EBIT	**-8,888**
Net finance income/expenses	123
EBT	**-8,765**
Income taxes	2,114
Consolidated net profit before non-controlling interests	**-6,651**
of which attributable to non-controlling interests	**131**
of which Consolidated net profit after allocation of non-controlling interests	**-6,782**

H1-2022 EUR thous.	LLOYD FONDS LIQUID ASSETS	LLOYD FONDS REAL ASSETS	LLOYD FONDS GROUP	Total
External sales	7,053	719	1,077	8,849
Cost of materials	-463	–	-1,136	-1,599
Staff costs	-6,283	-641	-959	-7,883
Net other operating income/expenses	-5,047	-515	-771	-6,332
Share of profit of associates	281	–	–	281
Segment EBITDA	**-4,459**	**-436**	**-1,789**	**-6,684**

Reconciliation of segment earnings (EBITDA) with consolidated earnings after allocation of non-controlling interests

Segment EBITDA	**-6,684**
Amortization/depreciation	-2,204
EBIT	**-8,888**
Net finance income/expenses	123
EBT	**-8,765**
Income taxes	2,114
Consolidated net profit before non-controlling interests	**-6,651**
of which attributable to non-controlling interests	**131**
of which Consolidated net profit after allocation of non-controlling interests	**-6,782**

The LAIQON Group's internal reporting system does not include any provision for disaggregating assets and liabilities by segment as management does not consider this data to be relevant for managing the Group. Accordingly, these disclosures have been dispensed with.

6.6 Notes on the consolidated income statement

6.6.1 Sales

EUR thous.	H1-2023	H1-2022
Income from fund and asset management	14,234	8,849
Income from arrangement and structuring services	1,632	–
Others	–	–
Sales	**15,866**	**8,849**

Compared with the same period in the previous year, sales rose by a total of EUR 7,017 thousand to EUR 15,866 thousand in the first half of 2023. This increase is due to the expanded reporting entity structure and the favorable performance of fund and asset management activities.

6.6.2 Cost of materials

EUR thous.	H1-2023	H1-2022
Cost of services purchased	2,883	1,599
Cost of materials	**2,883**	**1,599**

6.6.3 Staff costs

EUR thous.	H1-2023	H1-2022
Wages and salaries	9,626	7,181
Social security	1,072	606
Stock option program	15	61
Retirement benefit expenses	16	7
Voluntary social security costs	39	19
Other staff costs	10	9
Staff costs	**10,779**	**7,883**

The higher staff costs are due mainly to the increase in the number of employees as a result of the acquisitions completed in 2022.

6.6.4 Amortization/depreciation

EUR thous.	H1-2023	H1-2022
Property, plant and equipment	1,278	890
Intangible assets	1,939	1,314
Amortization/depreciation	**3,217**	**2,204**

Compared with the previous year, amortization and depreciation increased by EUR 1,013 thousand to EUR 3,217 thousand primarily as a result of additions in connection with business combinations.

6.6.5 Net other operating income/expenses

EUR thous.	H1-2023	H1-2022
Other operating income		
Income from the derecognition of liabilities	329	329
Remuneration in kind	31	38
Income from deconsolidation	2,150	–
Income from the reversal of impairments of receivables	170	–
Other income	110	51
	2,791	**418**
Other operating expenses		
Office supplies, IT costs and communications	-2,045	-1,948
Financial statement, legal and consulting costs	-1,831	-2,875
Sales and marketing support and subscriber relations	-974	-839
Rentals, ancillary rental costs, cost of premises and maintenance	-271	-197
Insurance and levies	-309	-247
Impairment losses on receivables and unrecoverable receivables	-95	-9
Motor vehicle and travel costs	-252	-200
Other staff costs	-148	-198
Non-deductible expenses	-562	–
Other expenses	-636	-236
	-7,124	**-6,750**
Net other operating income/expenses	**-4,333**	**-6,332**

The change in net other operating expenses from EUR 6,332 thousand to EUR 4,333 thousand particularly reflects the non-recurring income from deconsolidation (see Note 6.2). In the interests of cost transparency, the LAIQON Group has reported proportionate non-deductible input tax separately for the first time in the reporting period. In the previous year, non-deductible input tax was included in the respective types of expenses.

6.6.6 Share of profit of associates

The share of profit of associates of EUR 136 thousand primarily entails net investment income from shares in limited companies recognized using the equity method that are not consolidated for materiality reasons as well as gains in the fair value of other equity investments.

6.6.7 Net finance income/expenses

EUR thous.	H1-2023	H1-2022
Net investment income	548	1,068
Net interest expenses	-956	-790
Net currency translation gains/losses	-6	24
Other net finance income/expenses	-20	-179
Net finance income/expenses	**-434**	**123**

Net finance expenses came to EUR 434 thousand, compared with net finance income of EUR 123 thousand in the previous year. This includes the share of profit of associates of EUR 548 thousand, compared with EUR 1,068 thousand in the same period of the previous year.

The net interest expenses of EUR 956 thousand (comparison period: EUR 790 thousand) are due to interest expenses on the convertible bonds issued (EUR 351 thousand), interest expenses on the annuity loan (EUR 324 thousand) and interest expenses in accordance with IFRS 16 (EUR 270 thousand) as well as other interest expenses net of other interest income.

The remaining net finance expenses of EUR 20 thousand includes the fair value measurement of financial assets in accordance with IFRS 9 and are particularly influenced by the measurement of security deposits.

6.6.8 Income taxes

Income taxes comprise income taxes paid or owed as well as deferred income taxes. Current taxes are composed of corporate tax plus the solidarity surcharge and trade tax.

Net tax income/expenses for the period consists of income from the reversal of deferred income tax liabilities, income from the reversal of income tax provisions and income from the recognition of deferred income tax assets from the initial recognition of call options on non-controlling interests.

No further material tax expenses arose in the year under review due to the income tax group established between LAIQON AG (dominant company) and the subordinate entities.

6.6.9 Earnings per share

Basic earnings/loss per share are calculated by dividing profit or loss attributable to the ordinary equity holders by the average number of ordinary shares outstanding during the period under review. Basic earnings per share come to EUR -0.16 based on the average number of shares issued in the year under review (17,483,396).

Basic earnings per share	H1-2023	H1-2022
Profit/loss attributable to the equity holders of the Parent Company (in EUR thousands)	-2,868	-6,782
Average number of shares issued (in thousands)	17,483	15,056
Earnings per share (EUR per share)	**-0.16**	**-0.45**

The LAIQON Group considers the new and existing convertible bonds to have a significant potential dilutive effect in the reporting period. If the three existing convertible bonds were fully converted at the beginning of the reporting period, the number of shares issued would increase by 3,083,145 to 20,566,541.

Diluted earnings per share	H1-2023	H1-2022
Profit/loss attributable to the equity holders of the Parent Company (in EUR thousands)	-2,868	-6,782
Plus interest saved on convertible bonds	351	–
Average number of shares issued (in thousands)	20,567	15,056
Earnings per share (EUR per share)	**-0.12**	**-0.45**

6.7 Notes on the consolidated balance sheet

The following section describes the main items of the balance sheet and selected changes.

6.7.1 Property, plant and equipment

Property, plant and equipment of EUR 13,018 thousand (December 31, 2022: EUR 10,436 thousand) comprise the tenant fixtures at the Hamburg and Frankfurt am Main offices (EUR 1,407 thousand), operating and business equipment (EUR 1,242 thousand) and primarily also the right-of-use assets in accordance with IFRS 16 (EUR 10,370 thousand). New additions mainly arise from the initial recognition of the right-of-use assets in connection with the new office building at Oberanger 43 in Munich.

Depreciation of EUR 1,278 thousand was recognized in the period under review.

6.7.2 Intangible assets

Intangible assets declined due to systematic amortization to EUR 88,716 thousand (December 31, 2022: EUR 90,293 thousand). They include goodwill of EUR 34,288 thousand (December 31, 2022: EUR 34,288 thousand) as well as intangible assets attributable to business combinations and other intangible assets of EUR 54,429 thousand (December 31, 2022: EUR 56,006 thousand).

Amortization of EUR 1,939 thousand was recognized in the period under review.

6.7.3 Investments in associates accounted for using the equity method

There are a total of 46 associates (December 31, 2022: 46) which are recognized using the equity method of accounting and on which the Lloyd Fonds Group exerts a material influence. These primarily comprise the limited-partner entities and project companies which LAIQON AG holds together with its shipping company partners.

6.7.4 Financial assets at fair value through profit and loss

EUR thous.	June 30, 2023	Dec. 31, 2022
Shares in LAIC funds	39	249
Subsidiaries	1,184	1,079
Associates	716	716
	1,938	**2,043**

The number of investments in associates measured at fair value totaled 113 as of the end of the first half of the year (December 31, 2022: 125). On the one hand, these are shares in affiliated companies, which are not consolidated for reasons of immateriality. On the other, they are shares in associates which the LAIQON Group as the founding limited partner holds in its own funds as well as limited-liability companies that are in receivership (former associates).

Financial assets at fair value are measured using inputs that are not based on observable market data. The fair value of the investments is normally calculated using the discounted cash flow method The valuation parameters essentially correspond to the data contained in Note 6.4.2 of the 2022 Annual Report. There are no material changes in the other valuation parameters, particularly the capitalization rate and related sensitivities.

6.7.5 Deferred income taxes

Deferred income tax assets amount to EUR 18,306 thousand as of the reporting date (December 31, 2022: EUR 15,003 thousand) and primarily relate to the future use of the existing unused tax losses.

Deferred income tax liabilities increased to EUR 18,092 thousand (December 31, 2022: EUR 17,052 thousand). They mainly arise from the intangible assets acquired under the business combinations.

6.7.6 Trade receivables and other receivables

EUR thous.	June 30, 2023	Dec. 31, 2022
Trade receivables	4,091	4,206
Other receivables and other assets	6,299	5,736
	10,389	**9,942**

There are no non-current receivables as of the reporting date.

6.7.7 Income taxes

The current income tax assets of EUR 667 thousand (December 31, 2022: EUR 1,142 thousand) chiefly comprise investment income tax still to be refunded by the tax authorities.

Current income tax liabilities as of June 30, 2023 are valued at EUR 778 thousand (December 31, 2022: EUR 1,982 thousand) and primarily relate to tax liabilities held by LAIQON AG.

6.7.8 Cash and cash equivalents

The changes in cash and cash equivalents are analyzed in the consolidated cash flow statement. Reference should be made to Note 6.8.3 for the breakdown.

6.7.9 Equity

Movements in the LAIQON Group's consolidated equity are set out in the statement of changes in equity.

6.7.9.1 Share capital

As of June 30, 2023, the fully paid-up share capital entered in the commercial register on February 6, 2023 consists of 17,483,396 (December 31, 2022: 17,483,396) ordinary bearer shares with no par value, each with a nominal value of EUR 1.00. The Articles of Incorporation are dated January 24, 2023.

LAIQON AG shares are traded under the ISIN number DE000A12UP29. In March 2017, the Company switched to the "Scale" segment newly created by Deutsche Börse to replace the previous "Entry Standard".

Authorized Capital 2020

At the annual general meeting on August 31, 2020, Authorized Capital 2018 and the related rules were canceled and a resolution passed to create Authorized Capital 2020.

The Management Board is authorized subject to the Supervisory Board's approval to increase the Company's share capital by a total of up to EUR 3,599,750.00 (December 31, 2022: EUR 3,599,750.00 by issuing up to 3,599,750 (December 31, 2022: 3,599,750) new no-par-value bearer shares on a cash or non-cash basis once or repeatedly on or before August 30, 2025. The Management Board is authorized subject to the Supervisory Board's approval to exclude the shareholders' preemptive subscription rights in full or in part.

Contingent Capital 2018 II

Contingent Capital 2018 / I was canceled. At the annual general meeting on July 21, 2022, a resolution was passed amending the authorization to issue stock options with subscription rights to shares in the Company under the stock option program and increasing Conditional Capital 2018 II together with corresponding amendments to the articles of incorporation.

The Management Board is authorized subject to the Supervisory Board's approval to issue to members of the Management Board and employees option rights for no-par value bearer shares in the Company of a total of up to EUR 1,350,000 once or repeatedly on or before July 20, 2027. For this purpose, the share capital has been increased contingently by the corresponding amount.

Contingent Capital 2020

At the Annual General Meeting on August 31, 2020, Contingent Capital 2019 and the related rules were cancelled and a resolution passed to create Contingent Capital 2020.

The Management Board is authorized subject to the Supervisory Board's approval to issue bearer option and/or convertible bonds, profit-participation rights and/or participating bonds (or combinations of these instruments) comprising up to 4,273,682 (December 31, 2022: 4,394,141) shares once or repeatedly on or before June 11, 2024.

6.7.9.2 Share premium

The share premium stands at EUR 48,651 thousand as of June 30, 2023 (December 31, 2022: EUR 47,185 thousand). This increase is chiefly due to the initial recognition of the convertible bonds issued.

6.7.9.3 Non-controlling interests

Non-controlling interests in the equity of the consolidated subsidiaries were valued at EUR 405 thousand as of the reporting date (December 31, 2022: EUR 5,471 thousand). In the period under review, an amendment to the transfer agreement for SPSW Capital GmbH was agreed upon, providing for the mandatory exercise of the option to purchase the non-controlling interests at a fixed amount of EUR 9,000 thousand. The non-controlling interests were reduced by the present value of the settlement amount. The corresponding amount was recorded in non-current other liabilities (see Note 6.7.11).

6.7.10 Net asset value attributable to other limited partners

This item results from the inclusion of Premium Portfolio Austria in LAIQON's consolidated financial statements. It comprises the shares of those limited partner who are not part of the LAIQON Group. As these are puttable financial instruments, they are reported under non-current financial liabilities.

The net asset value has been assessed on the basis of a fixed effective interest rate. This is calculated as the internal interest rate for the originally forecast payouts by the respective fund entities. Thereupon, the present values of payments to the limited partners are discounted at the effective interest rate. Remeasurement of net asset values using the effective interest rate method gave rise to interest expenses of EUR 5 thousand in the first half of 2023 (first half of 2022: EUR 10 thousand), with an amount of EUR 172 thousand (December 31, 2022: EUR 166) reported in the balance sheet.

Furthermore, this item includes the non-controlling interests in the consolidated companies LAIC AIF Token GmbH & Co. KG and LAIC TOKEN MITARBEITER GmbH & Co. KG of EUR 4,193 thousand (December 31, 2022: EUR 4,193 thousand).

6.7.11 Trade payables and other liabilities

EUR thous.	June 30, 2023	Dec. 31, 2022
Non-current liabilities		
Other liabilities	8,103	5,628
	8,103	**5,628**
Current liabilities		
Trade payables	4,852	4,323
Liabilities arising from operating taxes and levies	995	415
Other liabilities	5,663	11,291
	11,509	**16,029**
	19,612	**21,657**

Other liabilities mainly consist of purchase price installments payable to external third parties for the acquisition of SPSW Capital GmbH. Of this, an amount of EUR 1,715 thousand (December 31, 2022: EUR 5,089 thousand) is classified as current and an amount of EUR 1,019 thousand (December 31, 2022: EUR 2,803 thousand) as non-current.

In addition, the purchase price liability in connection with the acquisition of Lange Assets & Consulting GmbH is included in non-current liabilities in an amount of EUR 623 thousand (December 31, 2022: EUR 1,140 thousand) and in current other liabilities in an amount of EUR 476 thousand (December 31, 2022: EUR 870 thousand).

As well as this, the purchase price liability in connection with the acquisition of BV Holding AG is included in current other liabilities in an amount of EUR 215 thousand (December 31, 2022: EUR 290 thousand) and in non-current other liabilities in an amount of EUR 622 thousand (December 31, 2022: EUR 840 thousand).

In addition, the purchase price liability in connection with the acquisition of Selection Asset Management GmbH is included in non-current liabilities in an amount of EUR 346 thousand (December 31, 2022: EUR 573 thousand) and in current liabilities in an amount of EUR 234 thousand (December 31, 2022: EUR 242 thousand).

This also includes liabilities towards employees of EUR 2,535 thousand (December 31, 2022: EUR 4,034 thousand) such as vacation entitlement, termination benefits and outstanding bonus payments.

6.7.12 Financial liabilities

EUR thous.	June 30, 2023	Dec. 31, 2022
Non-current financial liabilities		
Lease liability IFRS 16	9,038	6,650
Convertible bond	24,819	3,810
Non-current loans	800	6,075
	34,657	**16,535**
Current financial liabilities		
Lease liability IFRS 16	1,594	1,507
Convertible bond	212	103
Current loans	2,625	700
	4,431	**2,311**
Financial liabilities	**39,088**	**18,846**

On February 20, 2023, LAIQON AG issued convertible bond 23/27 with a nominal value of EUR 5,000 thousand and a coupon of 6.5% p.a. under a private placement. The bondholders are entitled to convert each convertible bond into 100 ordinary shares between the date of issue and maturity. If the conversion right is not exercised, the bonds are to be repaid at their nominal value on February 21, 2027. The coupon is payable semi-annually, on August 21, 2023 for the first time. On the basis of the effective interest method (9.51%), the amount recovered is divided into a debt component of EUR 4,611 thousand and an equity component of EUR 389 thousand, which reflects the fair value of the embedded option to convert the financial liabilities into equity.

On May 24, 2023, LAIQON AG issued convertible bond 23/28 with an initial nominal value of EUR 18,480 thousand and a coupon of 7.0% p.a. under issue of a securities prospectus. The bondholders are entitled to convert each convertible bond into 95 ordinary shares between the date of issue and maturity. If the conversion right is not exercised, the bonds are to be repaid at their nominal value on May 24, 2028. The coupon is payable semi-annually, on November 24, 2023 for the first time. On the basis of the effective interest method (9.95%), the amount recovered is divided into a debt component of EUR 17,075 thousand and an equity component of EUR 1,405 thousand.

In June 2023, EUR 3,175 thousand of the loan taken out in the previous year was repaid ahead of schedule. As the remaining amount will be repaid promptly after the reporting period, it is recognized in full as current as of June 30, 2023.

Non-current financial liabilities include convertible bond 2020/24 of EUR 3,902 thousand (December 31, 2022: EUR 3,810 thousand), convertible bond 2023/27 of EUR 4,544 thousand and convertible bond 2023/28 of EUR 16,373 thousand. Current financial liabilities include outstanding interest accruing in connection with the convertible bond and not yet paid out as of the reporting date.

Furthermore, lease liabilities are reported under non-current and current financial liabilities in accordance with IFRS 16. The increase in lease liabilities is primarily attributable to the initial recognition of the newly occupied office building in Munich.

6.7.13 Other provisions

The non-current other provisions of EUR 326 thousand (December 31, 2022: EUR 310 thousand) include amounts sets aside for dismantling obligations for the office space rented in Frankfurt and Hamburg.

6.7.14 Liabilities to related parties

EUR thous.	June 30, 2023	Dec. 31, 2022
Non-current liabilities		
Liabilities to shareholders, members of the Management Board and the Supervisory Board	363	997
	363	**997**
Current liabilities		
Liabilities to associated companies	62	62
Liabilities to shareholders, members of the Management Board and the Supervisory Board	975	2,489
	1,037	**2,551**
Liabilities	**1,400**	**3,549**

Liabilities to associates came to EUR 62 thousand as of the reporting date (December 31, 2022: EUR 62 thousand) and comprise solely outstanding limited-partnership capital.

The liabilities of EUR 975 thousand (December 31, 2022: EUR 2,489 thousand) to shareholders, members of the Management Board and the Supervisory Board mostly relate to Plate & Cie. GmbH primarily in connection with the acquisition of SPSW Capital GmbH.

6.8 Notes on the consolidated cash flow statement

6.8.1 Other non-cash transactions

EUR thous.	Note	H1-2023	H1-2022
Stock option expenses		15	61
Income from the derecognition of liabilities	6.6.5	329	329
Income from deconsolidation	6.2	2,150	-110
Other non-cash expenses and income		-205	327
		2,289	**607**

6.8.2 Composition of cash and cash equivalents

EUR thous.	June 30, 2023	Dec. 31, 2022
Cash at banks	13,909	10,375
Cash in hand	1	1
	13,910	**10,375**

6.9 Other disclosures

6.9.1 Contingencies

The contingencies reported as of June 30, 2023 comprise guarantees for increased liable amounts and potential distribution repayment obligations. Including the settlement claims under joint and severable obligations towards third parties, net contingencies come to a total of EUR 0 (December 31, 2022: EUR 0).

In trusteeship business, shares valued at EUR 1,075,783 thousand (December 31, 2022: EUR 1,243,089 thousand) are managed on the Company's own behalf but for the account of the subscribers.

In some cases, 53.10. Real Assets Treuhand GmbH has been entered in the commercial register as the limited partner in trust for subscribers (trustors) of legacy investment funds with the corresponding liable amount attributable to such subscribers. The trusteeship assets held in this connection stand at EUR 598,051 thousand (December 31, 2022: EUR 681,070 thousand). Distributions received under these trusteeship arrangements are forwarded to the trustors. Under Sections 171, 172 IV of the German Commercial Code, 53.10. Real Assets Treuhand GmbH is fundamentally liable for any liquidity surpluses which have been distributed but are not backed by profits in connection with such distributions. Where applicable, the shortfall in the liable capital caused by the distribution must be repaid by 53.10. Real Assets Treuhand GmbH. These distributions come to a total of EUR 19,430 thousand as of the reporting date (December 31, 2022: EUR 19,767 thousand). Under the trusteeship agreements, 53.10. Real Assets Treuhand GmbH can recover the same amount from the applicable trustor in the event that any claims are asserted against it. These entail distributions made by the investment entities in the form of loans that were forwarded to the trustors via 53.10 Real Assets Treuhand GmbH and then terminated and claimed back by the investment entities. In some cases, 53.10. Real Assets Treuhand GmbH has assigned its recovery claims against the trustors to the investment entities. Of the maximum repayment obligations of EUR 19,430 thousand (December 31, 2022: EUR 19,767 thousand), equivalent to the risk-equivalent weighting, distributions of EUR 564 thousand (December 31, 2022: EUR 564 thousand) relate to investment entities that are currently in insolvency proceedings or in economic distress as well as investment entities that hold liabilities primarily to banks. A possible liquidity outflow affecting cash flow is considered to be improbable due to the recovery claims held against the trustors.

Except in the case of political risk, LAIQON AG ensures that the following subsidiaries are able to fulfill their contractual obligations:

- 53.10. Consulting GmbH
- TradeOn GmbH
- LAIQON Financial Service GmbH
- LAIC AIF KVG GmbH

6.9.2 Related persons

No transactions were conducted with members of the Supervisory Board, persons related to them or companies controlled or influenced by them in the reporting period:

Achim Plate, CEO since January 1, 2020, responsible for the development of corporate strategy 2023/25, the LAIQON Asset Management and LAIQON Digital Wealth operating segments, as well as the Group departments Finance, Sales Human Resources, IR, PR and IT in the LAIQON Group operating segment.

Stefan Mayerhofer, CWO since April 1, 2022, responsible for further growth in the LAIQON Wealth Management operating segment.

In accordance with the Articles of Association, the Supervisory Board of LAIQON AG consists of five members, who are as follows:

- Dr. Stefan Rindfleisch, attorney at law (Chairman)
- Jörg Ohlsen, tax consultant and accountant (Deputy Chairman)
- Oliver Heine, shareholder of Lange Assets & Consulting GmbH
- Prof. Wolfgang Henseler, Creative Managing Director at Sensory-Minds
- Peter Zahn, self-employed management consultant (until August 23, 2023)
- Helmut Paulus, entrepreneur (since August 23, 2023)

6.9.3 Events after the reporting date

On July 14, 2023, LAIQON AG repaid the outstanding amount of EUR 2,625 thousand under the annuity loan. Financial liabilities and cash and cash equivalents decreased accordingly by this amount.

As of August, the remaining amount under convertible bond 23/28 had been fully utilized as a result of further subscriptions totaling EUR 1,520 thousand. Accordingly, convertible bond 23/28 has been placed in full.

LAIQON AG's annual general meeting was held in Hamburg on August 23, 2023. The following resolutions were passed:

LAIQON AG's unappropriated profit for the 2022 financial year of EUR 6,750,455.71 was carried forward in full.

The actions of the members of the Management Board of LAIQON AG holding office in 2022 were ratified for that year.

The actions of the members of the Supervisory Board of LAIQON AG holding office in 2022 were ratified for that year.

The actions of the members of the Management Board and the Supervisory Board of BV Holding AG holding office in 2022 were ratified for that year.

Baker Tilly GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, was elected a) independent auditor of the annual financial statements and the consolidated financial statements for 2023 and b) independent auditor for the audit review of the condensed financial statements and interim reports in 2023 and 2024 until the next annual general meeting.

In addition to the re-election of Mr. Jörg Ohlsen and Prof. Wolfgang Henseler as members of the Supervisory Board, Mr. Peter Zahn resigned as a member of the Supervisory Board. Mr. Helmut Paulus was elected as a new member of the Supervisory Board.

Authorized Capital 2020 was canceled and new Authorized Capital 2023 was created, increasing the total available authorized capital from EUR 3,599,750.00 to EUR 5,000,000.00.

Authorization to modify the terms and conditions of the existing subscription rights to shares of the Company under the stock option program and modification of the authorization to grant subscription rights to shares in the Company under the stock option program.

LAIQON AG's expertise in sustainable investing was additionally expanded through the partnership forged with the investment consultant Atacama Partners. The aim is to leverage that company's expertise in digitization, transformation and complementary sustainability perspectives for joint product solutions. As the first investment fund initiated under the partnership with Atacama Partners GmbH, LF – European Emerging Champions was strategically realigned and renamed. The new LF – Atacama Global Equity Impact Opportunities equity fund, for which Atacama Partners GmbH acts as investment advisor, is subject to the disclosure requirements in accordance with Article 9 of the SFDR.

No other events materially affecting the Group's net assets, financial condition or results of operations occurred after the reporting date.

Hamburg, August 29, 2023

The Management Board

Achim Plate Stefan Mayerhofer

7 Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Hamburg, August 29, 2023

The Management Board

Achim Plate Stefan Mayerhofer

8 Certification of review by auditors

To LAIQON AG:

We have conducted a review of the condensed consolidated financial statements – comprising the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes to equity and selected notes to the condensed consolidated financial statements – as well as the interim group management report of Lloyd Fonds AG, Hamburg, for the period from January 1, 2023 until June 30, 2023, which form components of the interim financial report in accordance with Section 115 of the Securities Trading Act. The preparation of the condensed consolidated interim financial statements in accordance with the IFRS guidance relating to interim financial reporting to be applied in the EU and the preparation of the Group interim management report in accordance with the provisions of the Securities Trading Act applicable to interim group management reports is the responsibility of the Company's executive directors. Our duty is to issue a certificate on the abridged consolidated interim financial statements and the interim group management report on the basis of our review.

We performed our review of the abridged consolidated interim financial statements and the interim group management report pursuant to the German principles for the review of financial statements as promulgated by Institut der Wirtschaftsprüfer (IDW). These standards require that we plan and perform the review such that after critical appraisal it is possible to exclude with reasonable certainty that the abridged consolidated interim financial statements do not materially conform to the IFRS stipulations on interim financial reporting as they are to be applied in the EU and that the abridged Group interim management report does not materially conform to provisions contained in the Securities Trading Act applicable to Group interim management reports. This type of review is primarily confined to questioning the Company's employees and conducting analytic assessments and therefore does not achieve the level of certainty afforded by an audit of the financial statements. As we were not instructed to conduct an audit, we are unable to issue an auditor's report.

On the basis of our review, we did not become aware of any matters prompting us to assume that the condensed consolidated interim financial statements do not materially conform to the IFRS stipulations relating to interim financial reporting as they are to be applied in the EU and that the condensed interim group management report does not materially conform to provisions contained in the Securities Trading Act applicable to interim group management reports.

Hamburg, August 29, 2023

Baker Tilly GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Oliver Pegelow	Stefanie Hartmann
– German Public Auditor –	– German Public Auditor –

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NB:

LAIQON AG's interim report on the first half of 2023 is also available as a PDF file in the Investor Relations/Annual Report section at www.laiqon.ag.
In case of any doubt, the German Interim report alone shall be authoritative.

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