



Interim Report 06/2021

Dear shareholders,
Dear friends of the company,

In the first half of 2021, we continued to drive the growth of MEDIQON Group AG as a holding company.

With the successful placement of 6,666,372 new shares at a subscription price of EUR 4.00 in March 2021, and the inflow of funds of EUR 26.6 million to the company, we laid the cornerstone for the further expansion of the successful business model of the two existing investment platforms NGC Nachfolgekapital GmbH and Ookam Software GmbH on the one hand and the flexibility of MEDIQON Group AG to take advantage of opportunities and optimize the capital structure on the other.

In the first half of 2021, the funds received by the company were already partially invested in the acquisition of further companies by NGC Nachfolgekapital GmbH and Ookam Software GmbH:

NGC Nachfolgekapital GmbH has invested in a total of three companies.

In May 2021, NGC Nachfolgekapital GmbH took a majority stake in direkt cnc-systeme GmbH in Alfdorf. With the CAS/CAM software program NC-Hops, direkt cnc-systeme GmbH offers the leading machine manufacturer-independent software solution for the wood, plastic and aluminum processing industry. As part of the transactions, a long-term succession solution was structured, in which the two founders remain on board and are supported by a succeeding managing director to ensure the long-term handover to the next generation.

As already outlined in the 2020 annual report, one of the growth drivers for the companies belonging to NGC Nachfolgekapital GmbH is the implementation of add-on transactions within the existing structures, e.g. to complement the product range or to transfer successful business strategies and processes to

comparable companies. In the first half of 2021, two such transactions took place through subsidiaries of NGC Nachfolgekapital GmbH:

The GfW Gesellschaft für Weiterbildung GmbH has taken over 100% of the shares in Kunstschule Wandsbek GmbH, a vocational school for communication design with branches in Bremen and Hamburg. After participating in the speakeasy group, a provider of language courses in Berlin, Hamburg, and Munich, among others, in December 2020, the participation in Kunstschule Wandsbek GmbH is the next step in expanding the GfW Gesellschaft für Weiterbildung GmbH into a group of providers in the professional development market.

Furthermore, NGC Dienstleistungen GmbH has taken over 100% of the shares in Bastex Schädlingsbekämpfung & Hygienetechnik GmbH. The transaction is characterized – among other things, due to its proximity, a similar customer base, and a complementary range of services – by a high strategic fit with the existing subsidiary of NGC Dienstleistungen GmbH, Gelford Gebäudereinigung und Dienstleistungen GmbH, one of the leading providers of building-related services in the Ruhr area.

Ookam Software GmbH acquired a majority stake in two companies in the first half of 2021:

With DATEX Software GmbH and Software24.com GmbH, two companies in the field of construction software were acquired:

With the software “AMADEUS”, DATEX Software GmbH, based in Karlsruhe, offers building contractors and project developers a complete business solution.

The software solution “Win-CASA” from Software24.com GmbH is a highly specialized industry solution for property management companies of all sizes.

Both companies offer a modular software solution tailored to the needs of the respective

niche and are characterized by a broad customer base and a high proportion of recurring sales – and are, therefore, “classic” target companies for Ookam Software GmbH.

Ookam Software GmbH was able to win a succeeding manager for the development of the “Construction Software” segment, who will lead the expansion and strategic development of this segment within the group. In addition to the “Construction Software” segment, the “Industrial Software” segment was also established in the 2020 fiscal year. Here, too, investments are to be bundled under uniform management in the future.

With this, Ookam Software GmbH has set the course for the scalability of the business model and the continuation of the robust growth of the group.

In addition to the expansion of the group within the existing investment platforms NGC Nachfolgekapital GmbH and Ookam Software GmbH, two investments were made in the first half of 2021 with the acquisition of a minority stake in Fintiba GmbH and the establishment of CarMa Holding GmbH, with which we want the business model of MEDIQON Group AG to expand further as a decentralized holding company:

Both investments follow the guidelines for MEDIQON Group AG outlined in the 2020 annual report:

- ✓ Our holding company brings together **talents** and **market opportunities**. We do not pursue a fixed investment strategy but invest in scalable business models and the best teams.
- ✓ We pursue an **entrepreneurial** and long-term approach and strive to promote the development of the portfolio companies in a spirit of **partnership** and **sustainably**.
- ✓ We believe in the extraordinarily high effectiveness of **decentralized**

organizations. Our energy flows into the selection and management of the best teams. However, under normal circumstances, we see little value in interfering in the day-to-day work of the operational business.

In May 2021, we acquired 21.5% of the shares in **Fintiba GmbH**. Fintiba GmbH was founded in 2016 and has established itself in recent years as one of the leading providers of support for international students and young professionals on their way to Germany. As a FinTech based in Frankfurt, Fintiba offers Visa applicants the opportunity to open the blocked account necessary for the visa process online and from abroad. In addition, Fintiba supports its customers in taking out insurance and rent guarantees, among other things. Since it was founded, Fintiba has supported more than 100,000 international students on their way to Germany.

We got to know the founder of Fintiba GmbH, Bastian Krieghoff, as an excellent entrepreneur. In particular, he has built a management team that enables the business to scale and develop at a high rate.

For years, Germany has attracted increasing interest among international students as a safe and attractive destinations with a broad range of studies. The vision of Fintiba GmbH is to be the central point of contact for these students for all of the products and services needed in Germany. MEDIQON Group AG expressly supports this strategy and can support Fintiba GmbH as a long-term and financially strong partner in business development.

In June 2021, **CarMa Holding GmbH**, based in Aalen, was co-founded with Marco Zapf, who leads the company as managing director.

CarMa Holding GmbH will concentrate on the telecommunications market in Germany, especially in fiber optics. Despite the sharp rise in construction and investment activity in fiber optics in recent years, expansion progress in

Germany is still below average compared to other European countries and the market – especially in rural areas – is highly fragmented. We see investment and consolidation potential here over the next few years, especially in the area of smaller network providers.

With Marco Zapf, we were able to win a skilled entrepreneur with many years of experience and a broad network in the market who wants to position CarMa Holding GmbH in this segment over the next few years and develop it as a long-term partner with MEDIQON Group AG.

In addition to investing in the growth of MEDIQON Group AG as a holding company, part of the funds received by the company from the capital increase was allocated to the optimization of the capital structure, and the expansion of the securities account as part of the liquidity management of MEDIQON Group AG.

In May 2021, the company submitted a voluntary buyback offer for up to 50% of the nominal amount at a repurchase price of 71.13% of the nominal amount to the subscribers of the perpetual bond issued in May 2020 with a nominal value of EUR 25 million. Within the scope of the buyback, the company was offered a nominal volume of EUR 12.5 million for buyback, which was completed on June 15th, 2021.

As already described in the 2020 annual report, in the course of focusing, developing, and expanding MEDIQON Group AG as a holding company, we have intensively discussed various options for action for MEDIQON GmbH and ultimately decided to sell 100% of the shares in the company. MEDIQON GmbH has been part of the Data to Decision AG group of companies since April 2021.

In return for the sale of MEDIQON GmbH, several purchase price payments and a debtor warrant based on the future development of Data to Decision AG were agreed. Due to the principle of prudence, only the agreed purchase price payments are included in the HGB balance sheet. The resulting need for depreciation on the investment and the shareholder loans provided by MEDIQON Group AG was already taken into account in the 2020 fiscal year so that there was no effect on earnings in the first half of 2021.

Since the sale of the former business of Medical Columbus AG in 2018, MEDIQON Group AG has repositioned itself and, as a holding company, focuses on investing in attractive companies based in the DACH region.

We pursue the goal of continuous, sustainable, and long-term increase in company value and supporting the companies belonging to the group as they grow as partners.

Since the first investment in E-M-C-Direct GmbH & Co. KG at the beginning of 2019, the group has grown dynamically. As of June 30th, 2021, 15 operating companies in different investment structures belong to the group under the investment platforms NGC Nachfolgekapital GmbH and Ookam Software GmbH. In addition, with CarMa Holding GmbH and the minority stake in Fintiba GmbH, two new fields were established in the group.

From the company's point of view, the growth of the group as a whole through participation in other companies and platforms on the one hand and the long-term economic success of the operating companies belonging to the group on the other, are decisive for the assessment of the economic success of the group.

The operating companies belonging to the group also developed positively overall in the

first half of 2021. We are currently considering how we can best illustrate the development of the group in future as part of the semi-annual reporting. Here, too, we would like to take adequate time to establish a framework for measuring and presenting the development during the year and keeping the presentation comparable over the coming years.

We appreciate the personal exchange with you, dear shareholders, and we are pleased that we were able to welcome so many of you to the Annual General Meeting on June 29th, 2021.

Of course, we are always happy to receive questions and suggestions at ir@mediqon-group.de.

Sincerely

Dirk Isenberg

Jan-Hendrik Mohr

BALANCE SHEET as of June 30, 2021

	06/30/2021	12/31/2020		06/30/2021	12/31/2020
	K EUR	K EUR		K EUR	K EUR
A. Capital assets	44.975,1	21.437,0	A. Equity	36.685,6	10.004,4
I. Intangible assets	27,6	27,8	I. Subscribed capital	9.999,6	3.333,2
II. Property, plant, and equipment	12,0	3,1	II. Capital reserve	31.896,6	11.897,5
III. Financial assets	44.935,5	21.406,1	III. Accumulated loss	-5.210,6	-5.226,3
1. Shares in affiliated companies	884,0	1.174,0	B. Provisions	70,6	88,2
2. Loans to affiliated companies	22.081,0	13.450,6	C. Liabilities	25.417,4	25.295,0
3. Participating interests	178,8	178,8	1. Bond	25.000,0	25.000,0
4. Loans to companies with which a participation relationship exists	1.055,0	1.055,0	2. Liabilities from goods and services	67,8	4,5
5. Securities	11.787,3	5.547,8	3. Liabilities owed to affiliated companies	0,0	250,0
6. MEDIQON Group AG bond	8.949,5	0,0	4. Other liabilities	349,6	40,5
B. Current assets	10.030,8	6.063,0			
I. Receivables and other assets	5.306,4	5.449,0			
1. Trade accounts receivable	204,2	204,2			
2. Receivables from affiliated companies	4.616,2	5.134,5			
3. Receivables from companies with which a participation relationship exists	113,7	74,5			
4. Other assets	372,3	35,9			
II. Cash & bank balances	4.724,4	614,0			
C. Deferred items	7.167,6	7.887,5			
	62.173,5	35.387,6		62.173,5	35.387,6

The half-year accounts as of June 30th for the fiscal year 2021 that began on January 1st were prepared according to the same accounting and valuation principles as the annual financial statement as of December 31st of the previous year.

Notes to the balance sheet

In the first half of 2021, the company's **total assets** increased by EUR 26,785.9 thousand to EUR 62,173.5 thousand. The increase is mainly owed to the capital increase carried out in March 2021 – due to the issue of 6,666,372 new shares at a subscription price of EUR 4.00 per share, the company's equity – taking into account the loss carried forward from previous fiscal years and the half-year net profit of EUR 15.7 thousand – increased to EUR 36,685.6 thousand. The **equity ratio** is now 59.0%.

As of June 30th, 2021, the company's **liabilities** essentially consist of the perpetual bond issued in May 2020. The bond is reported at a nominal value of EUR 25,000.0 thousand. The bond was issued at an issue price of 65% of the nominal value and is callable annually at fixed redemption values.

The discount of EUR 8,750.0 thousand is accounted for in the deferred items and released p.r.t. according to the development of the repayment value through interest expenses. As of June 30th, 2021, an amount of EUR 7,151.0 remains.

Time of redemption	Redemption value in% of the nominal amount
05/27/2021	70.8%
05/27/2022	77.2%
05/27/2023	84.2%
05/27/2024	91.8%
From 05/27/2025	100%

Perpetual bond - redemption values

The buyback of 50% of the company's perpetual bond issued in May 2020 was completed on June 15th, 2021. The bond now held by the company is reported as an asset under fixed asset securities so that the repurchase will not result in any change in the balance sheet reporting of the bond's nominal value as liabilities

Of the other liabilities in the amount of EUR 348.8 thousand, EUR 306.5 thousand relate to securities purchases as of June 30th, which were settled after the reporting date.

Some of the funds that flowed into the company as part of the capital increase have already been invested in the further growth of NGC Nachfolgekapital GmbH and Ookam Software GmbH, as well as the stake in Fintiba GmbH and CarMa Holding GmbH. In the balance sheet, investment activity is reflected in the increase in **loans to affiliated companies** of EUR 8,630.4 thousand.

The sale of 100% of the shares in MEDIQON GmbH, completed in April 2021, reduced the **shares in affiliated companies** by EUR 290.0 thousand. As part of the sale, several purchase price payments were agreed upon, some of which will only become cash effective in the next fiscal years. The resulting claims against the buyer are shown in the **other assets**.

As part of the company's liquidity management, an amount of EUR 6,239.5 thousand was allocated to the further expansion of the **securities account**. The securities are valued in accordance with the lowest value principle under commercial law (Section 253 HGB) at the lower price of the acquisition cost, market value, or nominal value (for bond investments). As of June 30th, 2021, the market value of the portfolio was EUR 13,587.0 thousand, around 15% above the reported value.

The shares in the perpetual bond held by the company will be sold at the buyback price of 71.13% plus the costs incurred for the buyback in the amount of EUR 25.3 thousand and the share attributable to the company from the liquidation of the discount of EUR 32.9 thousand.

As outlined in the 2020 Annual Report, when financing the acquisition of operating companies, part of the purchase price is usually financed by bank debt. If bridge financing is necessary for the period between the acquisition of the company and the provision of the debt as part of the transaction

process, it is provided by shareholder loans. Refinancing usually takes place within a few weeks, which leads to a disclosure in the current assets.

The interest incurring on the shareholder loan can be accumulated or paid at the discretion of the subsidiaries. Interest receivables are also listed in the current assets.

In the first half of 2021, the bridge loans reported at the end of 2020 in the amount of EUR 4,736.3 thousand were repaid, and interest payments in the amount of EUR 278.9 thousand were made. For the first half of 2021, interest in the amount of EUR 981.9 thousand was accumulated. Taking into account the bridge loan that was provided for new transactions and had not yet been refinanced as of June 30th, 2021, **receivables from affiliated companies** reported under current assets decreased by a total of EUR 518.3 thousand.

The company's **liquidity** developed as follows in the first half of 2021:

	1. half-year 2021	Fiscal year 2020
	In K EUR	In K EUR
Balances with credit institutions at the beginning of the fiscal year	614,0	363,9
Cash flow from granting shareholder loans	- 7.377,4	- 10.465,5
Cash flow from investing in securities	- 5.738,0	- 5.189,6
Cash flow from capital measures and financing activities	+ 17.748,9	+ 18.221,5
Cash flow from the settlement of tax liabilities from previous years	0,0	-1.183,8
Cash flow from operating activities	- 523,2	- 1.132,5
Bank balances at the end of the fiscal year	4.724,4	614,0
Securities portfolio value at the end of the fiscal year (market value)	13.587,0	6.032,6

The MEDIQON Group AG, in its realignment as a holding company, has grown strongly in the past year and a half. The earnings situation in the 2020 fiscal year was particularly influenced by the one-off effect from business transactions in connection with the sale of the core business and the shares in MEDIQON GmbH.

A comparison of the profit and loss account and the cash flow statement for the first half of 2020 is therefore only of very limited meaning from the company's point of view so that the figures for the entire 2020 fiscal year are also shown.

	1. half-year 2021 K EUR	1. half-year 2020 K EUR	Fiscal year 2020 K EUR
1. Sales revenue	0,00	1.077,8	1.077,8
2. Other operating income	164,5	5,6	1.445,7
a) Ordinary operating income	7,8	4,1	9,7
b) Income from the disposal of capital assets and appreciations on capital assets	156,7	0,0	414,2
c) Income from the release of provisions	0,0	1,5	1.021,7
3. Personnel expenses	247,3	435,3	713,3
4. Depreciation	107,9	1,9	874,3
a) On intangible assets	2,7	1,9	4,4
b) On current assets	105,2	0,0	869,9
5. Other operating expenses	276,5	1.015,6	2.415,0
a) Ordinary operating expenses	276,5	1.015,6	1.285,4
aa) Consulting services	103,0	305,8	407,5
ab) Costs incurred due to corporate structure	87,7	111,1	171,5
ac) Various operational costs	85,8	598,7	706,4
b) Losses from the disposal of capital assets	0,0	0,0	54,8
c) Losses from impairments or the disposal of current assets and increase in value adjustment of receivables	0,0	0,0	1.074,6
6. Other interest and similar income	1.222,3	564,4	1.230,5
<i>thereof from affiliated companies</i>	<i>1.089,9</i>	<i>526,8</i>	<i>1.139,0</i>
7. Depreciation on financial assets and securities under current assets	4,4	10,0	1.082,9
<i>thereof unscheduled depreciation</i>	<i>4,4</i>	<i>10,0</i>	<i>1.082,9</i>
8. Interest and similar expenses	733,9	199,0	937,4
9. Taxes on income and profit	1,1	0,0	2,4
10. Annual net income/deficit	15,7	-14,1	- 2.271,2
11. Profit/loss carried forward from the previous year	-5.226,3	- 2.955,1	- 2.955,1
12. Accumulated loss	- 5.210,6	-2.969,2	- 5.226,3

Information on the profit and loss account

No **sales revenue** was generated in the first half of 2021.

The sales revenue reported for the 2020 fiscal year results from invoices issued in connection with the completion of the sale of the company's previous core business. So far, the invoice has not been paid, and the value has been adjusted in full at the end of 2020 in accordance with the principle of prudence. The provisions made in connection with this invoice in 2020 for costs that the company would have incurred if the invoice were settled were released at the end of 2020 and reported under other operating income.

In the first half of 2021, **other operating income** in the amount of EUR 164.5 thousand was generated, mainly from the sale of securities.

The main earnings factor for the MEDIQON Group AG as an individual company in its realignment as a holding company is the **interest income** from the shareholder loans extended to the acquisition companies to finance the acquisition of the operating portfolio companies. Of the interest income in the first half of 2021, an amount of EUR 60.3 thousand relates to dividends and interest income from securities, and EUR 32.9 thousand to the bought back shares of the perpetual bond.

Of the remaining EUR 1,120.5 thousand in interest income from shareholder loans, EUR 105.2 thousand relate to the loans granted to MEDIQON GmbH (2020: EUR 379.8 thousand). The interest was written off with the sale in April 2021 – the loans are therefore neutral in income in 2021.

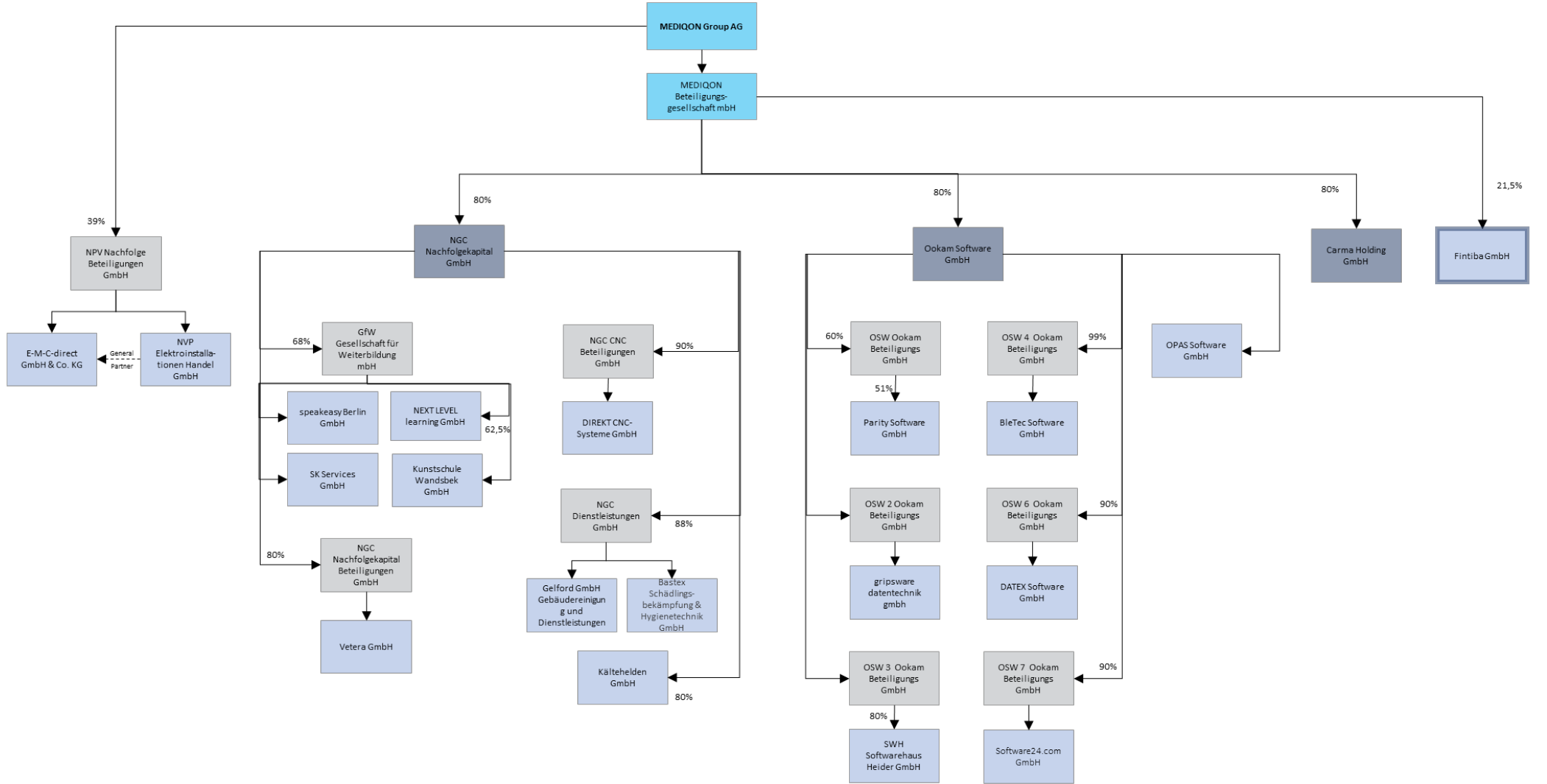
The interest on the other loans amounts to EUR 1,023.9 thousand and is thus already well above the value for the entire year 2020 of EUR 850.7 thousand as of June 30th.

The costs of MEDIQON Group AG as an individual company are mainly split between personnel, legal, and consulting expenses, as well as costs that arise in connection with the corporate structure.

Personnel expenses in the first half of 2021 were EUR 247.3 thousand and corresponded to approx. 35% of the personnel costs for the entire year 2020. For the 2020 fiscal year, approx. EUR 300 thousand personnel expenses, which are a direct result of the revenue from the business transactions in connection with the sale of the previous core business and will only be incurred if the claim is settled, were included.

Legal and consulting costs amount to EUR 103 thousand and thus approx. 25% of the value for the entire year. At EUR 87.7 thousand, the **costs related to the corporate structure** correspond to around 50% of the value for 2020. The **other operating costs** of EUR 85.8 thousand include, among other things, costs for office space and advertising costs as well as other operating costs.

In 2020, these cost items also included expenses in connection with the sale of the previous core business.



100% ownership if not indicated otherwise

