LAIQON AG
Wealth. Next Generation.

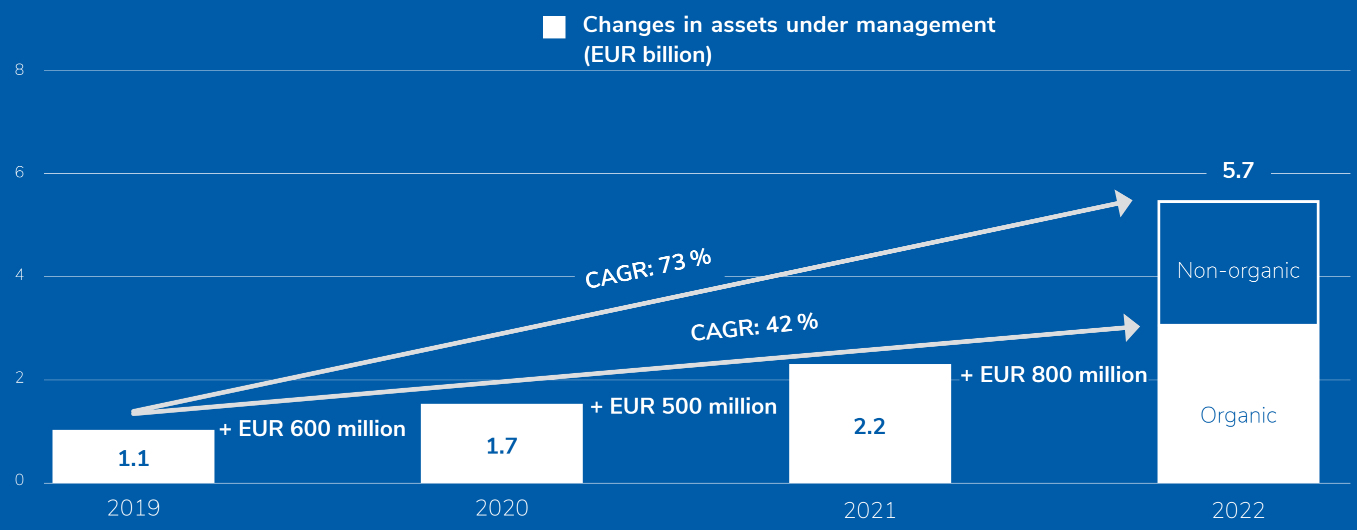
Annual report
2022

Hamburg
Berlin
Frankfurt
Munich

	2022 "As if"*	2022	2021	2020
Assets under management LLOYD FONDS LIQUID ASSETS (EUR billion)	5.7	5.7	2.2	1.7
Group figures EUR million				
Sales (gross)	26.8	21.6	26.1	27.7
EBITDA	-6.0	-9.9	4.6	7.0
Cash flow from operating activities	n/a	-2.8	20.0	-0.9
Total assets	139.8	139.8	116.9	113.7
Equity	72.1	72.1	48.4	42.7
Equity ratio (%)	51.5	51.5	41.3	37.6
Employees (as of December 31)	185**	185**	80***	69***

Percentages based on figures expressed as EUR thousands.
* "As if" view, see explanation on page 3.
** Including employees of Bayerische Vermögen-Gruppe/growney GmbH (including Management Board, employees on maternity or parental leave, trainees and temporary staff).
*** Excluding Management Board, employees on maternity or parental leave, trainees and temporary staff.

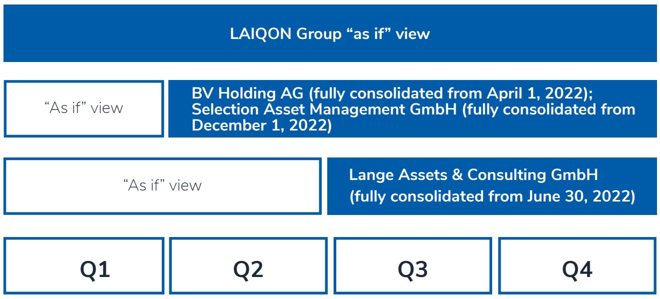
Assets under management in 2022:
EUR 5.7 billion



The LAIQON Group's assets under management increased to around EUR 5.7 billion in 2022 (previous year: EUR 2.2 billion). As a result, the forecast announced on May 24, 2022 of an increase in assets under management to EUR 5.5-6.0 billion in 2022 was achieved. This includes organic growth of around EUR 0.8 billion and non-organic growth of around EUR 2.7 billion. Overall, assets under management have thus increased at a compound annual growth rate (CAGR) of around 73 % since 2019.

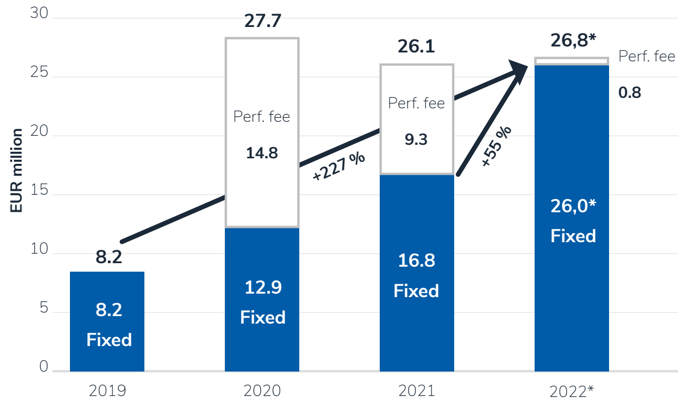
LAIQON AG “As if” view

The purpose of the “as if” view is to provide a more transparent impression of the earnings situation following the substantial changes to the reporting entity structure within the LAIQON Group. BV Holding AG has been consolidated since April 1, 2022 following the completion of the BaFin owner control proceedings. The “as if” view includes BV Holding AG (Bayerische Vermögen Group) as well as Selection Asset Management GmbH from January 1, 2022 as the retroactive merger and the corresponding profit and loss transfer agreements took effect from that day following the completion of the “squeeze-out” transaction under merger law. Lange Assets & Consulting GmbH was previously accounted for as an investee in the consolidated financial statements but has been fully consolidated since June 30, 2022.



“As if” sales in 2022: EUR 26.8 million

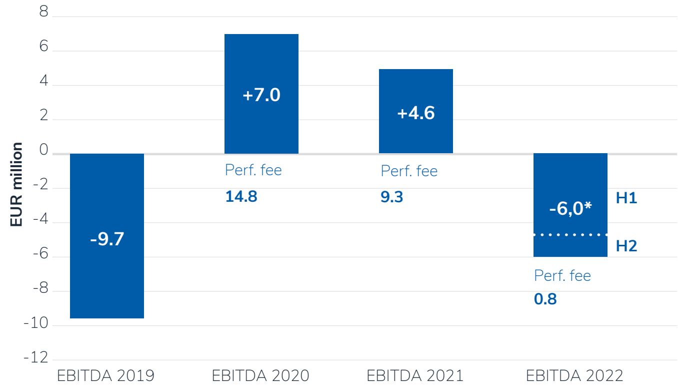
All in all, the LAIQON Group generated sales of EUR 26.8 million in 2022 in an “as if” view from January 1, 2022. This slightly exceeded the previous year’s level (EUR 26.1 million), although performance fees of around EUR 9.3 million had been included in sales due to developments in the capital market in 2021. Fixed sales of EUR 26.0 million were achieved, equivalent to a further increase of 55 percent over the previous year’s figure of EUR 16.8 million. After no significant performance fees were collected from asset management in the first half of 2022, performance fees of around EUR 0.8 million were invoiced in the second half of the year. Overall, sales have thus increased by 227 % since 2019.



* “As if” view of the full reporting entity structure including BV Holding AG/Selection Asset Management GmbH/Lange Assets & Consulting GmbH.

“As if” EBITDA 2022: EUR -6.0 million

All in all, the LAIQON Group generated EBITDA of EUR -6.0 million in 2022 in an “as if” view from January 1, 2022 (previous year: EUR 4.6 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 in the second half of 2022. “As if” EBITDA improved to EUR -1.6 million in the second half of 2022 (first half of 2022: EUR -4.4 million).



* “As if” view of the full reporting entity structure including BV Holding AG/Selection Asset Management GmbH/Lange Assets & Consulting GmbH, adjusted for related non-recurring exceptional expenses.

The Q at the center of LAIQON AG's new name seeks to express the fact that Company is positioning itself as a premium-quality provider in fund and asset management.

Our aspiration:
Wealth. Next Generation.

LAIQON AG (LQAG) is an innovative financial services provider that currently generates returns for its partners and customers with over 50 wealth products and solutions. These are managed by portfolio management and asset management teams as well as on the basis of artificial intelligence.

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.

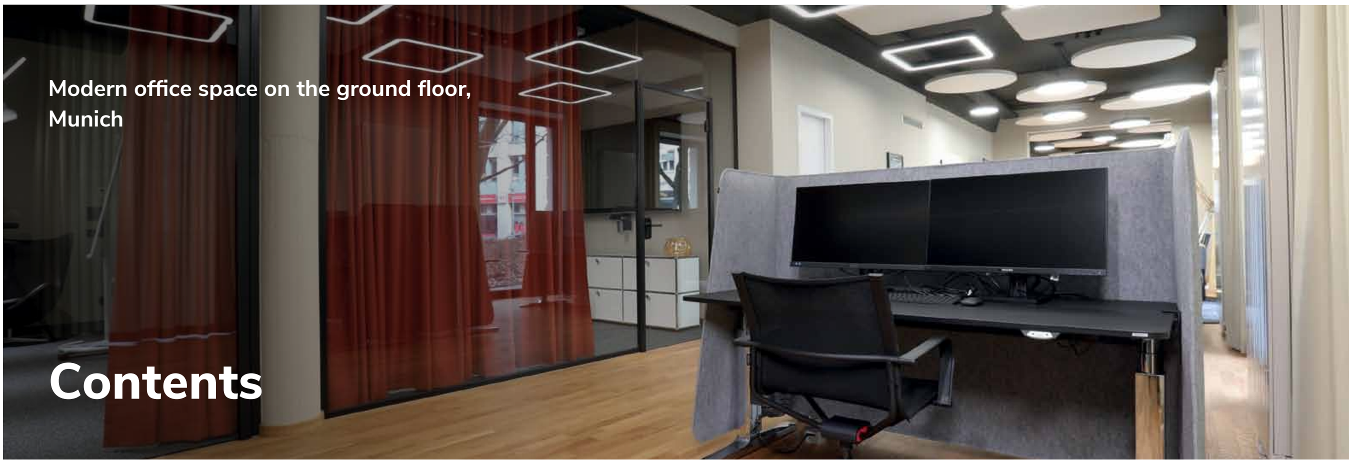
With its 2023/25 2.0 strategy, LAIQON AG is addressing both private individuals and institutional investors as a premium-quality provider offering a full range of sustainable products and solutions. LAIQON has positioned itself in three business segments, namely asset management, wealth management and digital wealth.

LAIQON AG Wealth. Next Generation.	3.7 billion euros in assets under management	1.5 billion euros in assets under management	0.5 billion euros in assets under management
Group	**Asset management**	**Wealth management**	**Digital wealth**
AG as a technological and sales enabler	**Specialist in active alpha strategies**	**Proactive 360° implementation of individual wealth goals**	**AI-based investment solutions and ETF savings plans**
- Strategy - Finance - Marketing - Distribution - Sustainability	- Over 1,000 client relationships - Roughly 30 retail funds - Roughly 40 special mandates	- 2,500 clients - 10 standardized asset management strategies - 100 % individual solutions	- 14,000 clients - 15 standardized strategies - 100 % individual solutions

As of December 31, 2022

The Digital Asset Platform 4.0 strategy is the connecting element of the business model, enabling LAIQON AG to address the entire client value chain and to scale it as required.

The aim of Strategy 2023/25 2.0 is to position LAIQON AG as an innovative quality leader in asset management in Germany and as an asset management factory.



Modern office space on the ground floor, Munich

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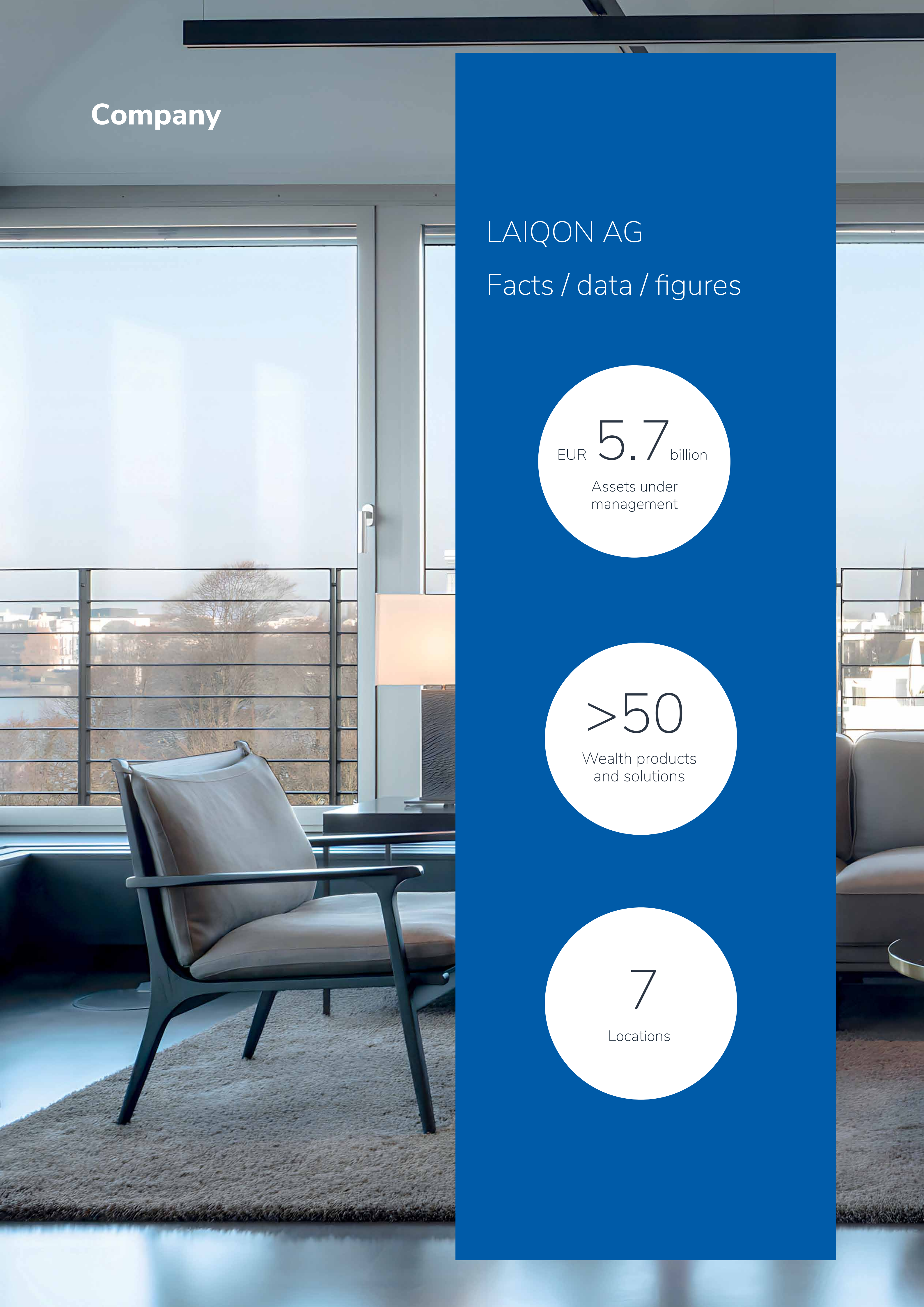


LAIQON AG

Facts / data / figures

EUR **5.7** billion
Assets under management

>50
Wealth products and solutions

7
Locations

Management Board

Dipl.-Ing. Achim Plate
Management Board
Chief Executive Officer (CEO)

- Nationality: German
- Born in 1959, married, 2 children

- Studied at the University of the Federal Armed Forces in Hamburg, graduating with a Dipl.-Ing. degree in mechanical engineering
- From 1990 onwards, he established his own medium-sized group of companies and was awarded the German Job Investor Prize in 2001
- 2002: Integration of the largest single company of the group into D+S europe AG
- From 2003 to 2009. Chief Executive Officer (CEO) of D+S europe AG (Prime Standard and listed in the SDAX)
- Development of the D+S europe Group from a call center company with 1,500 employees and sales of approximately EUR 42 million to a service group for multimedia customer contact management with over 7,000 employees and sales of around EUR 300 million in 2009
- 2010: SPS Investments GmbH incorporated
- 2015: Management of WHC Global Discovery commenced and Mr. Markus Wedel added as a further partner of SPSW Capital GmbH
- From September 2014 until December 2022: Chairman of the Supervisory Board of mVISE AG, member of the Supervisory Board of mVISE AG since December 2022
- Chairman of the Supervisory Board of DEWB AG from June 2017 until December 2019
- From April 2018 until December 2019: Member of the Supervisory Board of LAIQON AG, Chairman since August 2018
- Since January 2020: Member of the Management Board and Chief Executive Officer (CEO) of LAIQON AG

Stefan Mayerhofer
Management Board
Chief Wealth Officer (CWO)

- Nationality: German
- Born in 1965, married, 1 daughter

- 1982 – 1984: Trainee bank management assistant at Commerzbank AG
- 1985 – 1986: National service
- 1986 – 1989: Securities specialist at Commerzbank AG
- 1990 – 1994: Head of Strategy and Info in the Asset Management Unit at Bayerische Hypotheken und -Wechsel Bank AG
- 1994 – 1998: Branch Manager Asset Management, Munich Northwest at Bayerische Hypotheken und -Wechsel Bank AG
- 1998 – 1999: Manager Wealth Management Munich at Bayerische Hypotheken und -Wechsel Bank AG
- 1999 – 2000: Incorporation and management of PEH & Mayerhofer GmbH
- 2000 – 2011: Member of the Management Board of PEH Wertpapier AG
  - 2001 – 2010: Member of the Board of Directors at AXXION S.A. Luxembourg
  - 2000 – 2010: Member of the Supervisory Board of Privatbilanz AG
  - 2009 – 2010: Managing Director of PEH Vermögensmanagement GmbH
- 2011 – 2016: Managing Director of Bayerische Vermögen Asset Management GmbH
- 2014 – 2022: Member of the Management Board of Bayerische Vermögen AG
- Since 2020: Managing Director of BV Bayerische Vermögen GmbH
- 2021 – 2022: Member of the Management Board of BV Holding AG
- Since 2011: Member of the Supervisory Board of Regio AG
- Since April 2022: Member of the Management Board and Chief Wealth Officer (CWO) at LAIQON AG

Foreword by the Management Board

**Dear shareholders,
ladies and gentlemen,**

2022 war a very challenging year. In a very difficult capital market environment overshadowed by Russia's war of aggression against Ukraine, high inflation, rising interest rates and mounting recession risks, we were able to significantly increase our assets under management by over 160 % to around EUR 5.7 billion (previous year: EUR 2.2 billion). Consequently, we achieved the forecast announced on May 24, 2022 of an increase in assets under management to EUR 5.5-6.0 billion in 2022. We were also able to deliver in terms of our strategic milestones.

One of these was the successful completion of the two recent acquisitions, Bayerische Vermögen Group and growney GmbH, and the integration of these two companies on our platform. They are offering us an opportunity for significantly expanding our existing network and benefiting from the experience and contacts of the local management and teams. For example, MFI Asset Management GmbH succeeded in acquiring major new mandates as an asset manager specializing in institutional clients. In addition, B2C relationships were substantially expanded. Both acquisitions led to an increase of more than 10,000 direct end-clients.

To finance these acquisitions as well as LAIQON AG's continued growth, we completed two cash equity issues with parallel private placements in February and October 2022 in a very volatile market environment, generating gross proceeds of EUR 12.6 million. Both cash equity issues were subscribed to by existing and new shareholders.

A second major milestone was the establishment of sales channels, new partnerships and cooperation agreements. For example, new partners were added to the white-label platform V:KI Smart Invest, which combines the experience of Genossenschaftliche Finanzgruppe with LAIC's skills. Partnerships have also been forged with other insurers that use WealthTech LAIC's AI-managed investment funds as the engine for their unit-linked pension insurance policies. The diversity of the LAIQON Group with more than 50 WEALTH products and solutions makes it possible to offer a portfolio design suitable for almost all sales channels.

In our view, the most important milestone for ensuring LAIQON AG's future growth was the development of the new Group Strategy 2023/25 2.0 and the GROWTH 25 initiative, which were presented at the annual general meeting on July 21, 2022.

With our 2023/25 2.0 strategy, we are addressing private individuals as well as institutional investors as a premium-quality provider offering a full range of products and solutions. To this end, we have positioned ourselves in four growth markets, namely asset management, wealth management, digital wealth and advisory.

All the activities of our teams are independent, individual, transparent and client-centric.

Our platform strategy in the form of Digital Asset Platform 4.0 (DAP 4.0) is the connecting element of the business model, allowing us to address the customer value chain in full and scale it as desired.

The aim of Strategy 2023/25 2.0 is to position LAIQON AG as an innovative quality leader in asset management in Germany and as an asset management factory.

Our operating performance fell short of our expectations due to the very difficult capital market environment and the extraordinary expenses of EUR 2.9 million arising from the recent acquisitions. Even so, the integration of our recent acquisitions on the platform and the resultant additional scaling effects as well as the GROWTH 25 initiatives led to a significant improvement in operating earnings in the course of the year. "As if" EBITDA improved to EUR -1.6 million in the second half of 2022, compared with EUR -4.4 million in the first half of the year. All in all, the LAIQON Group thus generated EBITDA of EUR -6.0 million in 2022 in an "as if" view.

This year, we plan to continue our GROWTH 25 plan. At the core of the LAIQON Group's sales and growth strategy is the further development of the digital investment platform with a particular emphasis on user centricity. The aim is to achieve a highly scalable data-driven WEALTH product and solution portfolio for clients and partners.

A preliminary milestone was reached with the adoption of our Company's new name LAIQON AG on January 2, 2023. This new name underscores our commitment to establishing ourselves as a premium-quality operator in the market. It is sending out a strong signal to market participants that the Company has now completed the realignment commenced in 2018. At the same time, it aims to substantially enhance brand awareness.

In particular, the platform's multi-tenancy capabilities are intended to ensure the expected organic growth in assets under management. This is to be done by expanding sales partnerships and tie-ins. The pioneering joint venture "meine Bayerische Vermögen"

GmbH, which was established in February, is seen as a "blueprint" for this, for example. Here, we have combined the expertise of the asset manager BV Bayerische Vermögen GmbH and my Volksbank Raiffeisenbank eG., Bavaria's 10th largest cooperative bank, in a joint venture offering asset management aligned to future needs. This example for high-end clients in the Upper Bavaria/Munich region illustrates the variety of channels that the platform strategy allows.

In addition, a particular focus is placed on sustainability as, looking forward, the Company wants to play a leading role here in its industry. The objective of Strategy 2023/25 2.0 is to expand the Wealth product and solution portfolio in the light of Article 8/9 of the Disclosure Regulation in the financial sector. To this end, innovative sustainable product solutions are to be launched. Examples include a joint investment fund initiated with a Singapore-based investment boutique for investing in Asian growth markets. Subject to regulatory clearance, the objective of the fund will be to engage in sustainable investments in accordance with the requirements of Article 9 of the Disclosure Regulation.

Digital marketing and sales approaches are also to be additionally expanded, for example through the development of innovative apps. DAP 4.0 permits qualified sales contacts across a wide variety of channels with high transparency. The declared goal of Strategy 2023/25 2.0 is to transfer as many customers as possible into a direct customer relationship.

The foundations for further organic scaling of the Company have thus been laid. Implementation of Strategy 2023/25 2.0 is to increase assets under management to EUR 8 - 10 billion by 2025 through GROWTH 25. In this connection, LAIQON AG is aiming for an EBITDA margin of over 45 % relative to net sales in 2025. This takes account of the average performance fees generated in the past by the LAIQON Group's product range.

We would like to thank our shareholders for their confidence in our Company. We also extend our thanks to all our fund investors, clients and business partners for the joint activities and their trust in our range of products and solutions. Last but not least, we would like to thank our employees for their enthusiasm and commitment.

Yours sincerely

Dipl.-Ing. Achim Plate	Stefan Mayerhofer
Chief Executive Officer	Chief Wealth Officer

Dr. Stefan Rindfleisch
Chairman

- Nationality: German
- Born in 1967, married, 2 children

- Attorney at law 2nd state examination in 1996. Admitted to the bar in Germany and in the Republic of the Marshall Islands
- Doctorate on the “Hot Pursuit at Sea” principle of international maritime law in 2000
- 1998: Joined law firm EHLERMANN RINDFLEISCH GADOW Rechtsanwälte Partnerschaft mbB (formerly Ehlermann & Jeschonnek)
- Since 2001: Partner in the law firm EHLERMANN RINDFLEISCH GADOW Rechtsanwälte Partnerschaft mbB (formerly Ehlermann & Jeschonnek)
- Main areas of expertise: Maritime commercial law, structured maritime finance, corporate law
- Member of the German Association of International Law of the Sea and the German Maritime Arbitration Association.
- Since February 2021: Chairman of the Supervisory Board of Salamon AG
- Since May 2017: Member of the Supervisory Board of LAIQON AG

Jörg Ohlsen
Deputy Chairman

- Nationality: German
- Born in 1955, married, 5 children

- Holder of degree in business studies, tax consultant and accountant
- From 1982 until 1994 with Peat Marwick Mitchell & Co. Hamburg (KPMG)
- From 1987 until 1989 with Peat Marwick California, United States
- From 1990 until 1994: Partner and Managing Director at KPMG Peat Marwick Germany
- From 1994 until 2004, founder and Managing Partner of the OLP Group
- The OLP Group was sold to Deloitte in 2004
- From 2004 until 2019 partner at Deloitte:
  - From 2004 until 2010: Lead partner responsible for the audit of three SDAX and TecDAX companies
  - 2007 to 2014: Partner responsible in Hamburg for corporate finance in Northern Germany (Hamburg, Berlin and Hannover) for transaction advisory, IPOs and corporate valuations
  - 2014 to 2019: Managing partner of Deloitte Corporate Finance Germany (M&A/Investment Banking division)
  - 2011 to 2019: Member of the Deloitte Global Executive Committee for Corporate Finance Advisory/M&A
- From 1995 to 2004: Chairman and member of supervisory boards of start-ups, management buy-outs, investment funds and IPO candidates
- Since 2007: Member of the Board of Trustees of the Institute for Corporate and Capital Markets Law at Bucerius Law School-Corporate Finance, Corporate Governance & Compliance
- Since January 2020: Chairman of the Supervisory Board of Deutsche Effecten- und Wechsel-Beteiligungsgesellschaft AG
- Since January 2020: Member of the Supervisory Board of LAIQON AG, Deputy Chairman since July 2022

Oliver Heine

- Nationality: German
- Born in 1962

- 1984 - 1990: Studied law in Hamburg
- Admitted to the bar in 1995
- Partner at law firm Heine und Partner GbR
- Founding shareholder of Lange Assets & Consulting GmbH
- Since April 2005: Member of the Supervisory Board of Axel Springer SE
- Since June 2019: Member of the Supervisory Board of LAIQON AG

Peter Zahn

- Nationality: German
- Born in 1958, married, 2 children

- Holder of a degree in industrial economics (Munich University of Applied Sciences)
- From 1987 until April 2001: Management positions held at Hypo Vereinsbank AG
- From May 2001 until June 2004: Head of trading at newly established bank Falkebank AG
- Member of the Management Board of Lang & Schwarz AG from July 2004 until October 2019
- From March 2008 until June 2020: Managing Director of Lang & Schwarz Broker GmbH
- From August 2013 until December 2020: Member of the Supervisory Board of Backbone Technology AG and PAN AMP AG
- Managing Director of Zahn Invest GmbH since February 2021
- Since January 2020: Member of the Supervisory Board of LAIQON AG

Prof. Wolfgang Henseler

- Nationality: German
- Born in 1961, married

- Graduate designer and Master of HCID (Human Computer Interaction and Design)
- From 1994 until 2000: Founder and managing director of Pixel Factory GmbH, a multimedia start-up
- From 2000 to 2005: Managing Director, Design Director International at GFT Technologies AG. The Group is a publicly listed information technology service provider for banks. The products offered primarily solutions for the implementation of regulatory requirements and the digitalization of business processes
- From 2005 to 2009: Managing Director, Creative Managing Director at Syzgy Deutschland GmbH, an internationally active, listed agency group for digital marketing
- Since 2009: Creative Managing Director at Sensory Minds GmbH, a design studio for innovative technologies and smart media
- Since 1999: Professor of digital media and master of creative directions at the Pforzheim University of Applied Sciences - Faculty of Design. He is head of the “Visual Communications” study program and teaches the subjects Digital Transformation (Economy 4.0 and Thinking 4.0), User Centricity, Usability, User Experience, Innovation Thinking, Smart Ecosystem Platforms and Service Design using AI systems
- Since August 2018: Member of the Supervisory Board of LAIQON AG

Bright, functional design, Hamburg

Report of the Supervisory Board

Dear LAIQON shareholders, ladies and gentlemen,

The Supervisory Board reports on the 2022 financial year as follows:

The Supervisory Board of LAIQON AG performed its duties in accordance with the applicable statutory provisions, the Company's articles of incorporation and the rules of procedure, advising and monitoring the Management Board in 2022. The Management Board reported to the Supervisory Board on all matters pertaining to the Company's strategy, forecasts, business performance, risk exposure and management as well as its condition and outlook on a regular, timely and comprehensive basis at all times both in writing and orally.

The Company's fundamental business transactions were discussed in detail with the Management Board, which obtained the approval of the Supervisory Board where necessary.

Meetings

All business transactions of the Company requiring the approval of the Supervisory Board in accordance with the law, the Articles of Incorporation or the rules of procedure were duly submitted by the Management Board to the Supervisory Board for approval.

The Supervisory Board was convened for a total of 13 meetings in 2022, most of which were held in person, some in the form of video conferences and some by telephone. In addition, further circulatory resolutions were passed outside the meetings of the Supervisory Board.

The members of the Supervisory Board attended the meetings in person, over the telephone or by video conference. In addition, the Chairman and other members of the Supervisory Board maintained regular contact with the Management Board. As well as this, the members of the Supervisory Board discussed individual matters among each other

Main aspects of the Supervisory Board's deliberations

In the year under review, the Supervisory Board of LAIQON AG dealt with and passed resolutions on the following main matters among other things:

January 2022

At the first meeting for 2022 held on January 11, 2022, the Management Board explained in detail to the Supervisory Board the current status of the transaction with BV Holding AG, Munich. In addition, it outlined the cash consideration to be paid in connection with this transaction and the cash equity issue resolved by the Management Board subject to the shareholders' pre-emptive subscription rights, utilizing Authorized Capital 2020. The Supervisory Board then discussed the Company's preliminary unaudited key financial figures for 2021 together with the Management Board for the first time. The Supervisory Board subsequently approved the completion of the BV Holding AG transaction, subject to the successful completion of the owner control proceedings by the German Federal Financial Supervisory Authority (BaFin). Furthermore, it consented to the non-cash equity issue of up to EUR 152,477 through the issue of up to 152,477 no-par bearer shares of the Company, subject to the exclusion the shareholders' pre-emptive subscription rights. In addition, it consented to the cash equity issue of up to EUR 615,000 through the issue of up to 615,000 no-par bearer shares of the Company, subject to the shareholders' indirect pre-emptive subscription rights. As well as this, it consented to the amendment to the Company's articles of incorporation following the conversion of the convertible bonds issued by the Company under the 2020/24 convertible bond with a nominal volume of EUR 60,000 into 60,000 no-par value shares by the end of 2021.

On January 25, 2022, the Supervisory Board approved by way of a circular resolution and simultaneously by e-mail further details of the cash equity issue and its implementation under the subscription offer on which a resolution had been passed on January 11, 2022.

On January 31, 2022, the Supervisory Board dealt with personnel matters by way of a circular resolution and simultaneously by e-mail.

February 2022

At the second meeting of the Supervisory Board held on February 9, 2022, the Management Board initially outlined the progress achieved in the takeover of BV Holding AG. In addition, it presented the preliminary figures for 2021 and the budget for the current year. It also provided the Supervisory Board with an overview of the status of the Company's various sales projects and partnerships and reported on the performance of the investment funds allocated to the LLOYD FONDS business segment. Finally, the Supervisory

Board dealt with personnel matters relating to the Management Board and other employees of the Company, among other things.

At its third meeting on February 10, 2022, the Supervisory Board approved the Management Board's resolution determining the subscription price of EUR 12.00 for the subscription offer under the cash equity issue.

At its fourth meeting on February 11, 2022, the Supervisory Board discussed the achievement of the agreed non-financial targets by the Management Board for 2021 and passed a corresponding resolution.

At the fifth meeting of the Supervisory Board on February 17, 2022, the Management Board reported on the results of the placement of the subscription offer for the cash equity issue and outlined the resolutions passed by it on the allocation of the shares. The Supervisory Board approved the resolutions of the Management Board concerning the allocation of the shares and the further execution of the cash issue of 615,000 new shares. All new shares were placed at an issue price of EUR 12.00 despite the challenging market environment. The cash equity issue was placed with both existing long-term shareholders and new investors.

March 2022

At its sixth meeting for the year on March 29, 2022, the Supervisory Board approved the Company's annual financial statements for 2021 audited by the independent auditors Baker Tilly GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, which had issued an unqualified audit opinion; the annual financial statements were thus duly adopted. The Supervisory Board also approved the consolidated financial statements, for which the independent auditors Baker Tilly GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, had issued an unqualified audit opinion, and adopted the Supervisory Board's report to the annual general meeting for 2021. Representatives of the auditors participated in the discussion of this agenda item by video conference. The Management Board subsequently outlined the Company's current performance and provided an outlook for the current year based on various scenarios. As well as this, it submitted an overview of the draft of the expanded Strategy 2023/25 2.0. In addition to greater user centricity and the expansion of the platform economy, the Management Board emphasized in particular the further transition into a "sales-driven company". As well as this, the Supervisory Board dealt with personnel matters relating to the Management Board. The Company and Mr. Michael Schmidt, who wished to leave the Company for personal reasons, mutually agreed to terminate his contract with effect from March 31, 2022. Subsequently, the Supervisory Board appointed Stefan Mayerhofer to the position of Chief Wealth Officer on the Management Board of LAIQON AG for a period from April 1, 2022 until March 31, 2026. In addition, the Supervisory Board approved the conclusion of a service contract with Alexander Gröbner as divisional board member in charge of finance with effect from April 1, 2022.

On March 30 and 31, 2022, the Supervisory Board passed a resolution by e-mail to modify the Company's articles of incorporation to incorporate the resolutions approving the cash equity issues.

June 2022

At its seventh meeting on June 21, 2022, the Supervisory Board unanimously elected Dr. Rindfleisch as its Chairman for the period expiring at the end of the Company's annual general meeting on July 21, 2022. This election had become necessary because, due to an error at the last annual general meeting in 2021, Dr. Rindfleisch had not been proposed for re-election to the Supervisory Board, with the result that his Supervisory Board mandate expired at the end of this annual general meeting. Despite this, he attended all meetings of the Supervisory Board thereafter and fulfilled his chairmanship duties in full. In the meantime, he had been appointed to the Supervisory Board in a ruling by the competent court. This did not have any bearing on the work of the Supervisory Board. Subsequently, the Management Board outlined the current performance of the Company's LLOYD FONDS business segment, in particular with regard to possible partners with a special focus on impact funds in accordance with Article 9 of the EU Sustainable Finance Disclosure Regulation. It then proceeded to report on the upcoming acquisition of Selection Asset Management GmbH, execution of which had been approved by the Supervisory Board. Furthermore, the Management Board informed the Supervisory Board of the full conversion by the investors of convertible bond 2019/22 worth EUR 6.1 million. The Management Board then went on to report on the progress made in integrating the Bayerische Vermögen Group and the business performance of growney GmbH. In addition, the Supervisory Board approved the agreed option to acquire additional shares in growney GmbH, under which LAIQON AG was entitled to increase its stake in growney GmbH to 86.48 %. One main item of the meeting also concerned the detailed presentation of Strategy 2023/25 2.0 with the associated ambitious 25 GROWTH initiative by the Management Board. After deliberations, the Supervisory Board unanimously approved Strategy 2023/25 2.0 and its implementation. Subsequently, the Management Board reported on the current status of various sales projects and partnerships. The Supervisory Board deliberated on the convocation of the Company's (virtual) annual general meeting and approved the conclusion of profit and loss transfer agreements with Lange Assets & Consulting GmbH and Lloyd Token GmbH. As well as this, the Supervisory Board approved a lease for the LAIQON Group's joint new office in Oberanger 43, Munich. Finally, it dealt with personnel matters relating to the Management Board and other employees of the Company.

July 2022

On July 19, 2022, the Supervisory Board passed a resolution by e-mail to remove item 11 from the agenda for the Company's annual general meeting, which had been convened for July 21, 2022. This resolution was taken because no request pursuant to Section 62 (2) Sentence 1 of the Corporate Conversion Act had been received from the shareholders to pass a resolution approving a merger agreement between BV Holding AG and the Company as the acquiring legal entity.

Following the Company's annual general meeting, the Supervisory Board welcomed Dr. Rindfleisch, who had been re-elected by the shareholders, at its eighth meeting of the year. Subsequently, the Supervisory Board unanimously elected Dr. Rindfleisch as its Chairman for a period expiring at the end of the annual general meeting at which a resolution ratifying the actions of the members of the Supervisory Board for 2026 was passed. Thereupon, the Supervisory Board elected Jörg Ohlsen to replace Oliver Heine, who remains a member of the Supervisory Board, as its Deputy Chairman for a period expiring at the end of the annual general meeting at which a resolution ratifying the actions of the members of the Supervisory Board for 2023 was passed. Following this, the Management Board updated the Supervisory Board on the Company's current performance, particularly the performance of BV Holding AG and the status of the owner control proceedings as a prerequisite for increasing the stake in growney GmbH and acquiring the shares in Selection Asset Management GmbH. Selection Asset Management GmbH was acquired in December 2022 and subsequently merged with MFI Asset Management GmbH.

September 2022

At the Supervisory Board's ninth meeting held on September 30, 2022, the Management Board reported on the Company's current performance and presented the Group Risk Board, which was being established, and KPI Group Reporting, both of which will significantly contribute to greater reporting transparency and are based entirely on digital technology. In addition, the Management Board provided an update on the performance of growney GmbH, the progress being made in amending the contribution agreement with growney GmbH and the status of the BaFin owner control proceedings with regard to growney GmbH. Furthermore, the progress made in the squeeze-out arrangements for BV Holding AG under merger law and the milestones already achieved as well as the Company's 2022/24 financing strategy were presented. In addition, the Supervisory Board heard reports on the current status of various sales projects and partnerships.

October 2022

At its tenth meeting on October 22 and 23, 2022, the Supervisory Board approved the implementation of a cash equity issue, subject to the exclusion of sales prospectuses and the shareholders' pre-emptive subscription rights, of up to EUR 900,000.00 through the issue up to 900,000 new bearer shares in the Company.

At the eleventh meeting of the Supervisory Board on October 28, 2022, the Management Board reported on the results of the placement of the subscription offer for the cash equity issue and outlined the resolutions passed by it on the allocation of the shares. The Supervisory Board approved the resolutions of the Management Board concerning the allocation of the shares and the further implementation of the cash issue of 777,741 new shares. All new shares were placed at an issue price of EUR 6.75 despite the challenging market environment. The cash equity issue was placed with both existing long-term shareholders and new investors.

November 2022

At the twelfth meeting of the Supervisory Board held on November 25, 2022, the Management Board reported on the Company's current performance, particularly the breakdown of the growth in assets under management in the second half of 2022. Moreover, the Supervisory Board approved the amendment to the contract governing the option to acquire additional shares in growney GmbH, under which LAIQON AG was entitled to increase its stake in growney GmbH to 75 %. In addition, the Management Board reported to the Supervisory Board on the progress in renaming the Company LAIQON AG and the planned adjustments to the names of the funds in the LLOYD FONDS and LAIC business segment as well as their planned classification with regard to sustainability. As well as this, the Management Board reported on the current status of various sales projects and partnerships as growth drivers for the Company. Furthermore, the Management Board explained the assumptions underlying the Company's short- and medium-term business planning.

December

At the thirteenth meeting on December 7, 2022, the Supervisory Board approved the non-cash equity issue on which the Management Board had previously passed a resolution, subject to partial utilization of Authorized Capital 2020 and the related amendment to the Company's articles of incorporation.

On December 9, 2022, the Supervisory Board dealt with personnel matters by way of a circular resolution and simultaneously by e-mail.

Audit of the annual and consolidated financial statements

At the annual general meeting held on July 21, 2022, the shareholders passed a resolution electing Baker Tilly GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, as statutory auditors for the annual financial statements and the consolidated financial statements for the period from January 1, 2022 until December 31, 2022. Thereupon, the Supervisory Board negotiated the audit engagement and duly placed the engagement. In this connection, the audit priorities were jointly discussed.

The statutory auditor was asked to report to the Supervisory Board without delay on all main findings and occurrences of relevance for its duties of which he became aware in the performance of the audit.

The consolidated financial statements as of December 31, 2022 prepared by LAIQON AG in accordance with the International Financial Reporting Standards (IFRS), the Group management report for 2022 and the annual financial statements as of December 31, 2022 prepared in accordance with German GAAP and the management report of LAIQON AG for 2022 (HGB) were duly audited. The annual and the consolidated financial statements as well as the management reports were issued with an unqualified auditor's report. In addition, the statutory auditor reviewed the risk early detection system operated by LAIQON AG in accordance with the Corporate Control and Transparency Act . The audit confirmed that the Company complies in full with all statutory requirements.

The members of the Supervisory Board specifically examined the annual and consolidated financial statements, the management report and the Group management report and the statutory auditor's reports for 2022. All documents were made available to the Supervisory Board in good time. The Supervisory Board discussed and evaluated in detail the annual and consolidated financial statements, the management report, the Group management report and the statutory auditor's reports. The statutory auditor took part in the meeting, explaining the annual and consolidated financial statements and presenting the results of the audits. All questions asked by those attending the meeting were duly answered. The Supervisory Board approved the results of the audit following deliberations held at its meeting.

On the basis of the final results of its examination, the Supervisory Board did not raise any objections and duly adopted the annual financial statements and management report prepared by the Management Board at its meeting on March 29, 2023. The annual financial statements for 2022 are thus final. Similarly, on the basis of the final results of its examination, the Supervisory Board did not raise any objections and adopted the consolidated financial statements and the Group management report prepared by the Management Board. It also examined and approved the Management Board's proposal for the utilization of the Company's unappropriated surplus.

Vote of thanks

The Supervisory Board wishes to thank the Management Board and all employees of the LAIQON Group for their commitment, contributions and work performed.

Dear shareholders, the Supervisory Board would like to thank you for your trust and invites you to continue to accompany our company on its promising path.

Hamburg, March 29, 2023

For the Supervisory Board
Dr. Stefan Rindfleisch
Chairman of the Supervisory Board


Open-space area, Munich

Corporate governance

The term "corporate governance" refers to the responsible management and supervision of companies. LAIQON AG attaches great importance to good corporate governance.

Orientation to the German Corporate Governance Code

The German Corporate Governance Code (the "Code") enshrines internationally and nationally acknowledged standards of good and responsible corporate governance. Corporate governance encompasses the entire system of managing and supervising a company. In addition to the organization of the company, this also includes the principle and values underlying its business policies, guidelines and internal and external control and monitoring mechanisms. Good corporate governance seeks to make a significant contribution to responsible corporate management and control. It calls for efficient relations between the Management Board and the Supervisory Board, observance of the shareholders' interests, open and transparent communications and an awareness of the impact of the business model on the environment and society. It also seeks to promote the confidence of shareholders, investors, business partners and employees as well as the general public in the Company.

Implementation of individual elements of the German Corporate Governance Code

As it is listed on the regulated unofficial market ("Scale" segment of the Frankfurt Stock Exchange), LAIQON AG is not a listed company as defined by Section 161 (1) of the German Stock Corporation Act. The Management Board and the Supervisory Board are therefore currently not under any legal obligation to declare annually that the Code has been or is being complied with and to state which recommendations of the Code have not been or are not being applied including the reasons for this. Nonetheless, the Management Board had decided with the approval of the Supervisory Board to successively observe selected recommendations of the Code. In a resolution dated March 26, 2021, the Management Board and the Supervisory Board approved the profile of objectives and competencies for the composition of the Supervisory Board of LAIQON AG as well as a code of conduct binding on the Company and all of its employees. In addition, the Supervisory Board approved the Management Board's proposal to publish the rules of procedure of the Supervisory Board and the Management Board in the Investor Relations/Corporate Governance section of the LAIQON AG website at www.laiqon.ag in addition to the Supervisory Board's profile of objectives and competencies and the code of conduct. In addition, the Company's articles of incorporation are also published.

Responsible investment & engagement policy

LAIQON AG puts engagement into practice as an active and sustainable investor. In its capacity as a trustee for its investors, it has an interest in the long-term success of the companies in which it invests. This approach thus goes hand in hand with a commitment to ensuring long-term growth in the value of the investments. Accordingly, fund management actively seeks to invest in companies with transformative business models and tries to use its influence as an active shareholder to move these companies towards more sustainable and responsible business practices. The Responsible Investment and Engagement Policy was published in March 2022. In addition, a sustainability and engagement report was prepared and published for the first time in June 2022, detailing the Company's sustainability strategy.

Hamburg, March 2023

Dr. Stefan Rindfleisch Chairman of the Supervisory Board	Dipl.-Ing. Achim Plate Chief Executive Officer	Stefan Mayerhofer Chief Wealth Officer

The LAIQON AG office building in Frankfurt/Main

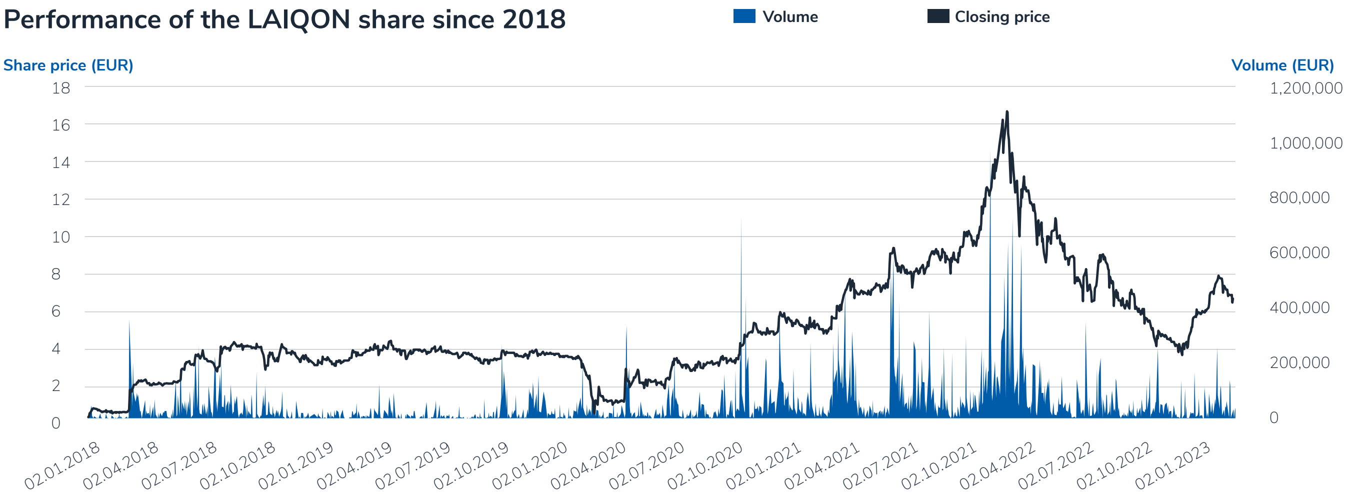

Conference room on the 6th floor, Hamburg

LAIQON share

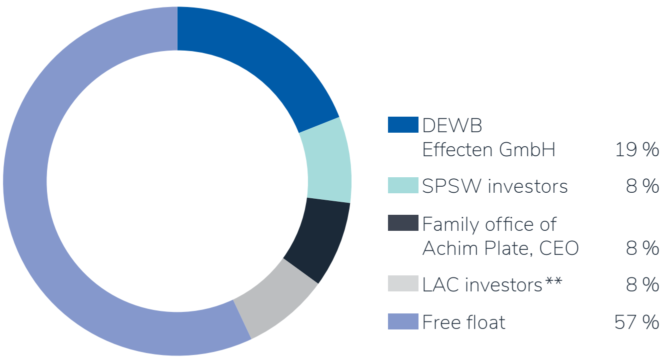
Performance of the LAIQON share

In a global market environment characterized by negative performance, the globally oriented MSCI World benchmark index (in USD) declined by 19.6 % in 2022 (previous year: increase of 20.1 %), while the LAIQON AG share closed 2022 at a price (Xetra) of EUR 7.78. Market capitalization stood at roughly EUR 135.1 million as of December 31, 2022. Average daily trading volumes in selected German stock exchanges and via Tradegate reached a cumulative figure of roughly 20,600 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. Accordingly, the description of the shareholder structure is provided on the basis of the Company's best knowledge with no liability for any errors or omissions. December 2022.

** Lange Assets & Consulting GmbH

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.

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 successfully placed

On February 20, 2023, LAIQON AG issued convertible bond 2023/27 with a nominal amount of EUR 5.0 million and a term of four years. It is subject to a coupon of 6.50 % p. a. The conversion price was set at EUR 10.00. The minimum subscription amount was EUR 100,000.00.

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. The issue met with a very strong response from both existing shareholders and new investors. Overall, the issue was oversubscribed by an amount of EUR 3.15 million.

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

Cash equity issue successfully completed

In 2022, LAIQON AG completed two cash equity issues. The Company issued fresh equity with subscription rights in February 2022 together with a simultaneous private placement entailing a total of 615,000 new shares. All new shares were placed at an issue price of EUR 12.00. The issue generated gross proceeds of roughly EUR 7.4 million for LAIQON AG.

This was followed in October 2022 by a cash equity issue subject to the exclusion of shareholders' pre-emptive subscription rights and a selling prospectus in a private placement of 777,741 new shares. All new shares were placed at an issue price of EUR 6.75. The issue generated gross proceeds of roughly EUR 5.2 million for LAIQON AG.

Both cash equity issues were subscribed to by existing and new shareholders.

Convertible bond 2019/2022 converted in full

The 3.75 % convertible bond 2019/2022 issued by LAIQON AG was converted into shares by all investors upon expiry. This involved a total nominal amount of EUR 6.1 million at an adjusted conversion price of EUR 6.08 per share.

2022 annual general meeting

At LAIQON AG's annual general meeting, which was held on July 21, 2022, all resolutions on the nine items of the agenda were passed with majorities of up to 99.99 percent. This particularly included item 7 with a 99.54 % approval rate, i. e. the resolution to change the Company's name to LAIQON AG and to make the corresponding amendment to the articles of incorporation.

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. Capital market activities are to be stepped up by means of intensive participation in roadshows and capital market conferences among other things.

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 February 27, 2023; Buy (unchanged), target price: EUR 10.00
SMC Research	Updated February 17, 2023 Buy (unchanged), target price: EUR 13.00
Alster Research	Updated February 16, 2023 Buy (unchanged), target price: EUR 9.00
M.M. Warburg Research	Updated July 26, 2022 Buy (unchanged), target price: EUR 13.90

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 per share in the Company's share capital
Average price in 2022**	EUR 8.71
Closing price (December 30, 2022)**	EUR 7.78
Trading volumes in 2022 (average***)	20,600 shares
Market capitalization (December 30, 2022)****	Roughly EUR 135.1 million

*As of January 24, 2023; **Xetra closing price; ***Own calculations of cumulative, selected German stock exchanges based on Bloomberg data; ****Number of shares: 17,362,937.


A look at portfolio management, Hamburg

Asset management factory

Platform strategy makes LAIQON a full-service partner characterized by operational excellence

With its 2023/25 2.0 strategy, LAIQON AG is addressing both private individuals and institutional investors as a premium-quality provider offering a full range of sustainable products and solutions.

The adoption of the new name LAIQON AG on January 2, 2023 and, thus, the Company's aspiration to establish itself as a premium-quality operator in the market is sending a signal to market participants that the realignment commenced in 2018 has now been completed. At the same time, the change of name is intended to significantly boost brand awareness.

LAIQON AG is active in four major growth markets, namely asset management, wealth management, digital wealth and advisory, thus offering customers a very broad range of products and solutions.

The core component of the platform strategy is the Digital Asset Platform 4.0, with which LAIQON AG has created the basis for offering user-centric solutions across all client groups. All activities are independent, individual, transparent and client-centric. In this way, it is possible to specifically address the investment needs of all target groups, from private individuals to institutional investors. The platform strategy is therefore determined by the fulfillment of client needs.

LAIQON AG
Wealth. Next Generation.

Digitalization

Sustainability

User centricity

Asset management Factory

L

Leading

We are leaders in the innovative response to megatrends in the financial sector

AI

Artificial intelligence

We harness artificial intelligence and the power of data to design future-oriented digital wealth solutions

IQ

Intelligence quotient

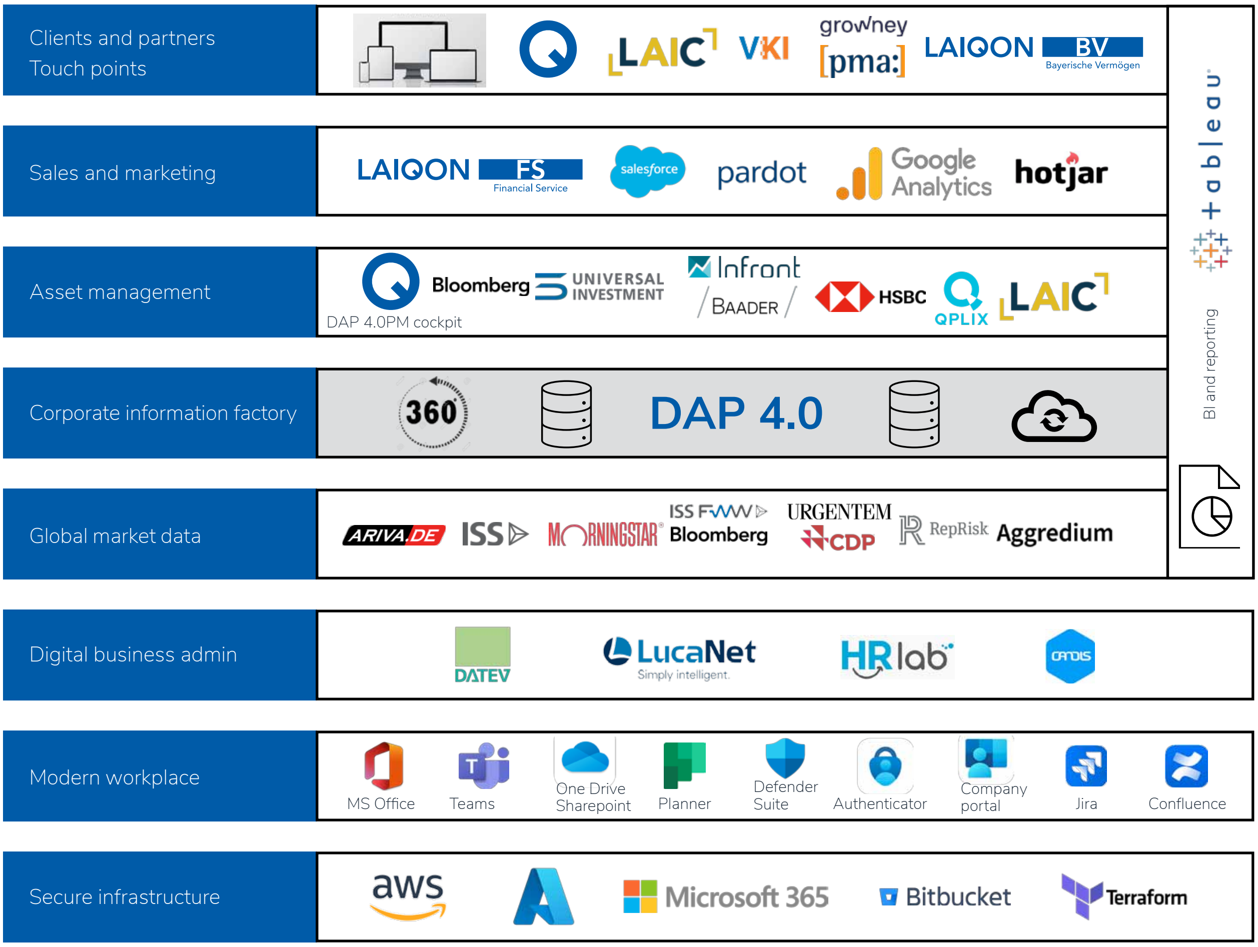
We have expert knowledge encompassing the entire gamut of asset and wealth management

ON

Always on

We offer our clients an excellent range of services

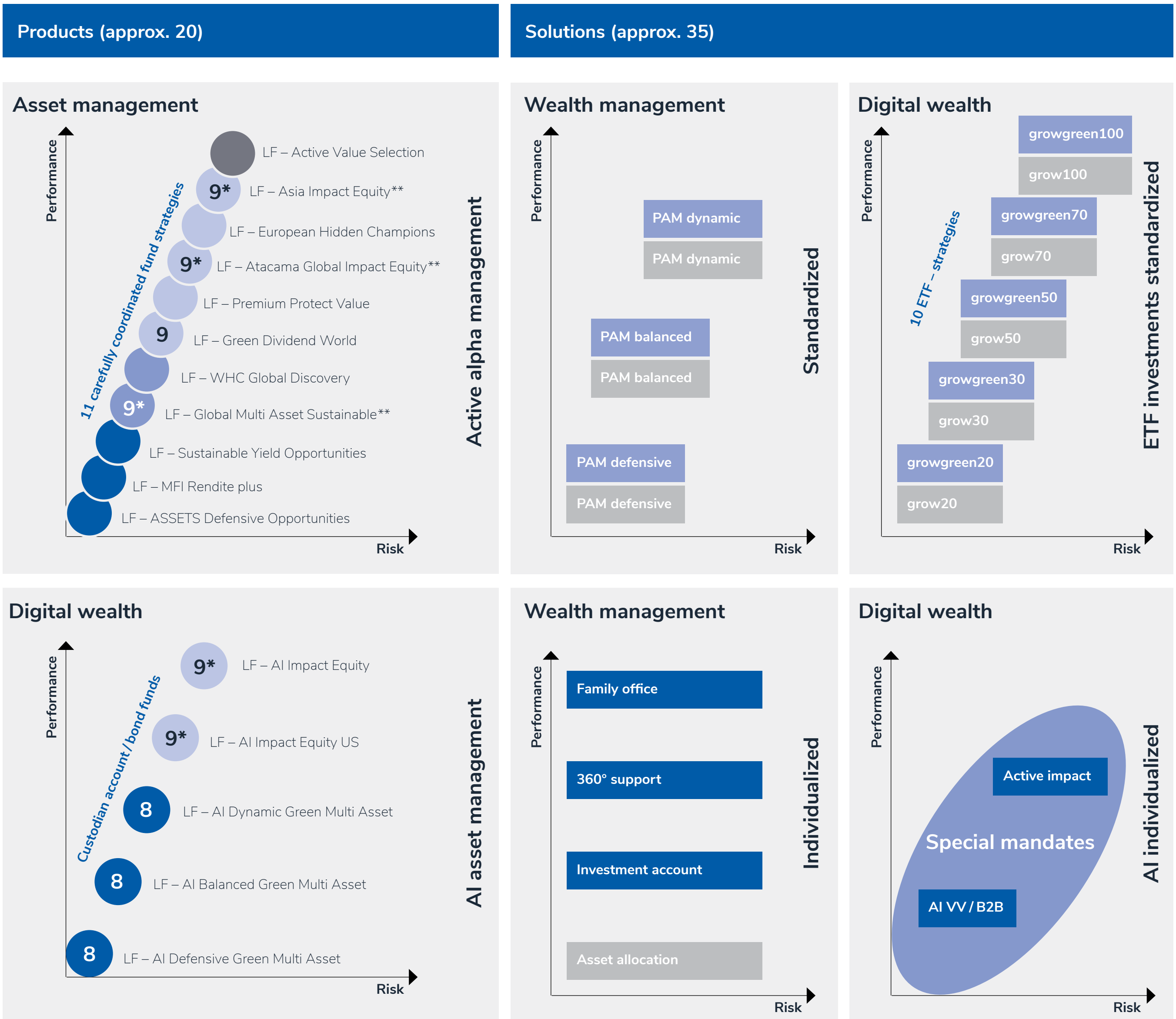
DAP 4.0: Enabler of all Group divisions and processes



LAIQON AG 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. The combination of human and artificial intelligence is the driving force behind LAIQON AG's premium range of products and solutions.

Sustainable investing as a symbiosis of client and sustainability goals is a key driver for LAIQON AG. One priority is therefore SDG/impact investing. Looking forward, LAIQON intends to play a leading role in this area with a portfolio of WEALTH products and solutions that seeks to comply with Article 8/9 of the Disclosure Regulation (see also "Focus on Sustainability").

More than 50 wealth products/solutions: implemented passionately and innovatively by experts



* Conversion into Art. 9 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 March 2023. It reflects current estimates and may change at any time without prior notice. No liability is assumed for any errors, omissions or obsolescence in the data presented herein, any failure of the forecasts to be reached and any risks culminating in total loss.

In particular, the platform's multi-client capability, i. e. the ability to connect and scale new partners at any time, aims to ensure the expected continuation of the disproportionately strong growth in assets and management. To this end, LAIQON AG has launched various products, sales projects and partnerships in order to drive growth. These include, for example, the recently established joint venture "meine Bayerische Vermögen" GmbH, which pools the expertise of the asset manager BV Bayerische Vermögen GmbH and my Volksbank Raiffeisenbank eG., the 10th largest cooperative bank in Germany, in a joint venture for asset management in the Upper Bavaria/Munich region. The aim is to combine personal 360° support with digital service, high user experience and extensive reporting transparency using LAIQON AG's digital asset platform.

The long-term goal is to strengthen LAIQON's position as an asset management factory, i. e. a premium-quality provider that addresses both private individuals and institutional investors with a full range of sustainable products and solutions.

Clients: Scaling with premium partner network

Wealth. Next Generation.
Focus on the next-generation wealth and innovation-driven products and solutions

People & Partners
The focus is on people as clients and as employees

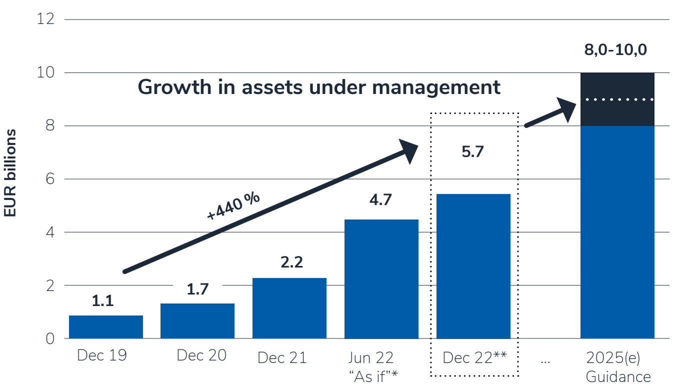
Artificial intelligence
Optimized investment decisions through data and AI

Technology
DAP 4.0 an enabler for all Group divisions and processes

The purpose of Strategy 2023/25 2.0 is to increase assets under management to EUR 8 - 10 billion by 2025 through GROWTH 25. This growth is expected to be mainly organic. However, further acquisitions are not ruled out provided that they enhance the Group's strategic orientation.

LAIQON AG is aiming for an EBITDA margin of over 45 % relative to net sales in 2025. This takes account of the average performance fees generated in the past by the LAIQON Group's product range.

GROWTH 25: Medium-term guidance of EUR 8.0–10.0 billion(e)



Summary:

- 440 % growth since December 2019
- GROWTH 25 target calls for an organic CAGR of 16.5 % from 2023
- GROWTH 25 EBITDA target > 45 %

*Assets under management: June 30, 2022, "as if" view including BV Holding AG/Selection Asset Management GmbH/Lange Assets & Consulting GmbH.
**Assets under management: December 31, 2022, BV Holding AG/Selection Asset Management GmbH/Lange Assets & Consulting GmbH/growney GmbH.

CAGR 2023-2025(e) for assets under management of approx. 16.5 % organic

Flowerbed on the roof terrace, Hamburg

Focus on sustainability

Integration - transformation - impact

LAIQON AG's sustainability strategy is based on the Paris Climate Agreement and the UN Global Compact principles and is aligned with the UN SDGs. It focuses on "integration", "transformation" and "impact".

In order to achieve credibility towards customers, LAIQON AG is committed to contributing to numerous sustainability initiatives in the financial industry, such as the Principles for Responsible Investment (PRI) or the CDP (formerly known as the Carbon Disclosure Project). Furthermore, LAIQON AG is one of the first financial services companies in Germany to commit to developing a science-based target for its own transformation path towards climate neutrality. The targets were submitted at the end of 2022. The Company will be regularly reporting on the implementation and progress made in achieving the targets. In addition, LAIQON AG was awarded the Zielke CSR "Silver" certificate in recognition of its sustainability strategy in March 2023* by consulting company Zielke Research Consult GmbH, which also specializes in ESG research.

Sustainability expert Dr. Robin Braun, who came to LAIQON AG from DWS, has been responsible for the Group-wide sustainability strategy since January 1, 2023. He is being advised by Michael Schmidt, who a member of the German Federal Government's Sustainable Finance Advisory Board, among other things.

In 2023, the sustainability team will be developing uniform sustainability principles for LAIQON AG and its subsidiaries. This includes, for example, Group-wide PRI reporting, which has previously been confined to asset management business. From LAIQON AG's perspective, the PRI as a global network of financial market participants who jointly develop and define best practices, enable a uniform approach and a high level of transparency to be achieved. The transparency report submitted to the PRI in May 2021 can be found on the Group website www.laiqon.ag under "Megatrends" in the "Sustainability" section. The assessments received for 2020 are being reviewed internally by the sustainability team. The Company is endeavoring to expand and gradually improve its reporting practices.

Implementation of sustainability: Integration - Transformation - Impact

Commitments

LAIQON AG

Partnerships:
- PRI
- Science-Based Target Initiative
- Carbon Disclosure Project
- FNG seal 2023
- Austrian Ecolabel
- Contribution to carbon neutrality
- Technical partnership with WWF

Team: 5-strong team led by Dr. Robin Braun. Advised by Michael Schmidt, Member of the Sustainable Finance Advisory Board

Implementation – integration and client preferences

Asset management

- Clear weighing-up of positive contributions and disputes
- Pursuing a forward-looking SDG transition path
- Transition reinforced
- Article 9 funds**: GDW, GMAS (planned)
- Article 8 funds** ADO, SYO, WHC, EHC

Wealth management

- Heightening client groups' awareness of opportunities/risks through sustainability
- Inclusion of individual investment preferences with regard to sustainability
- Integration in investment decisions
- Range fully based on Article 8

Digital wealth

- LAIC ADVISOR takes into account individual sustainability preferences among other things
- Article 9 funds (planned): LF – Atacama Global Impact Equity; LF – AI Impact Equity; LF – AI Impact Equity US, LF – Asia Impact Equity
- Article 8 funds**: Three LAIC mixed funds with a focus on sustainability
- growney: Mixture of negative selection/best-in-class

Externer Support

* Based on the Sustainability and Engagement Report published in June 2022, available on the laiqon.ag website. * 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; GDW: LF - Green Dividend World, GMAS: LF - Multi Asset Sustainable, ADO: LF – ASSETS Defensive Opportunities, SYO: LF - Sustainable Yield Opportunities, WHC: LF – WHC Global Discovery, EHC: LF – European Hidden Champions.

Artificial intelligence as a basis for better sustainability data

LAIQON AG is also increasingly using the data accumulated in DAP 4.0 for sustainable investing. Artificial intelligence is providing support here, as it analyzes extensive, heterogeneous sets of data and sources of data on fundamentals and combines it with other sources of information. With respect to sustainability, DAP 4.0 focuses on measurable data to achieve a defined effect. For example, various environmental objectives can be taken into account in the data for investment funds. In the case of equities, a clear focus is currently being placed on the collection and analysis of objective carbon emission data in order to achieve SDG target 13 “Climate Change”. This data is then used to measure the impact of carbon emissions or to reduce them compared to benchmark indices. With the growing universe of ESG data, further SDG targets can be successively integrated.

Product portfolio in accordance with Art. 9 of the Disclosure Regulation

LAIQON’s current and planned investment solutions are aligned to the 17 SDGs in accordance with Article 9 of the Disclosure Regulation with a focus on transition in the corporate sector. The aim of this forward-looking approach is to achieve a measurable impact on the SDGs in compliance with the Paris climate protection treaty.

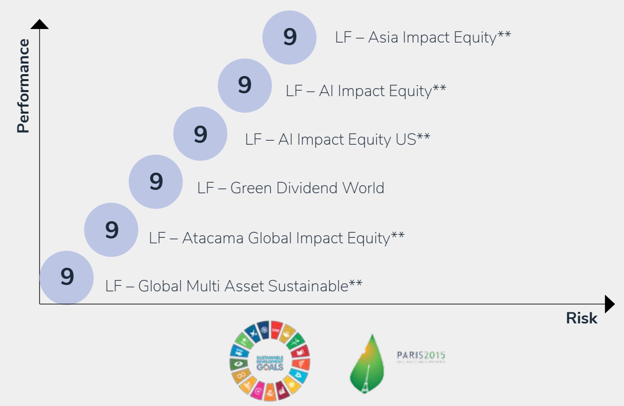
The sustainability flagship among the active LAIQON funds is currently LF - Green Dividend World, the first global dividend fund to be classified in accordance with Article 9 of the Disclosure Regulation. The strategy for the mixed fund LF – Global Multi Asset Sustainable is also currently being expanded to fully achieve the goal of sustainable investments in the selection of equities and fixed income instruments.

The two LAIC equity funds restructured under Article 9 of the Disclosure Ordinance, LF – AI Impact Equity and LF – AI Impact Equity US, seek to combine artificial intelligence with ESG factors. The objective of the investment strategies pursued by the two funds is to continuously reduce the portfolio’s carbon emissions by seven percent annually relative to the benchmarks in order to achieve the Paris-aligned benchmarks.

LAIQON’s expertise in sustainable investing is also to be additionally expanded through the partnership with the investment consultant Atacama Partners. In particular, the Atacama team’s expertise in sustainability solutions will be harnessed for joint product solutions. The first fund being planned, the equity fund LF – Atacama – Global Impact Equity, will also entail sustainable investments as defined in Article 9 of the Disclosure Regulation. With the help of DAP 4.0, the fund will also invest globally, albeit with a focus on the United States, in companies selected on the basis of their fundamentals in all capitalization segments, with special attention paid to mid-caps. In cooperation with Singapore-based investment boutique Santa Lucia Asset Management, it is also planned to launch an equity fund, LF – Asia Impact Equity, investing in Asian growth markets, which will also be classified in accordance with Article 9 of the Disclosure Regulation. The team in Singapore has a track record of more than 10 years in Asia and is expected to benefit from LAIQON AG’s expertise in sustainability.

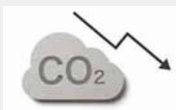
ESG/Impact range of products and services (Art. 9 of the Disclosure Regulation*)

Products



Impact

- Focusing on the future
- Objectives defined in accordance with the 17 UN SDGs
- Clear consideration of positive contributions and disputes
- Focus on measurable ESG factors while balancing impact, return and risk
- Goal: e.g. “lower carbon emissions”
- Daily active risk management and portfolio optimization increasingly using AI



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 March 2023. It reflects current estimates and may change at any time without prior notice. No liability is assumed for any errors, omissions or obsolescence in the data presented herein, any failure of the forecasts to be reached and any risks culminating in total loss. * 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 ** Fund/Article 9 classification planned.

Group management report

Roof terrace at LAIQON's Hamburg offices.

LAIQON AG

Facts / data / figures

Asset Management Factory

Scalable platform strategy

Full-service partner characterized by operational excellence

Modern office space on the ground floor, Munich

Group management report

1 Basic information on the Group

1.1 Business activities

LAIQON AG (formerly LLOYD FONDS AG, renamed on January 2023, see Chapter 6, Material events occurring after the reporting date) is an innovative financial services provider that currently generates returns for its partners and customers with over 50 wealth products and solutions. These are managed by portfolio management and asset management teams as well as on the basis of artificial intelligence.

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.

The LLOYD FONDS business segment is positioned as a specialist provider of non-benchmarked equity, fixed-income and mixed funds with a clear focus on active alpha strategies. All funds are managed by experienced specialists with a proven track record and incorporate an integrated sustainability strategy in the investment process.

The LLOYD WEALTH business segment is committed to proactive, holistic 360° implementation of the individual goals of high net-worth individuals by means of personal asset management.

The LLOYD DIGITAL business segment offers digital and risk-optimized investment solutions for retail and institutional investors.

1.2 Organization and governance structure

As a listed company, LAIQON AG has a Management Board that is monitored by the Supervisory Board. In accordance with its articles of incorporation, the Supervisory Board consists of five members. As of December 31, 2022, these are Dr. Stefan Rindfleisch (Chairman of the Supervisory Board), Jörg Ohlsen (Deputy Chairman), Oliver Heine, Prof. Wolfgang Henseler and Peter Zahn. The Management Board of LAIQON AG is composed of Dipl.-Ing. Achim Plate as Chief Executive Officer (CEO/CFO) and Stefan Mayerhofer as Chief Wealth Officer (CWO) as of December 31, 2022.

Beneath the Management Board, a management group has been established and is composed of highly qualified and experienced managers from all three business segments as well as selected corporate units such as finance and human resources. It consults with the Management Board on a regular basis.

The LLOYD FONDS LIQUID ASSETS business segment comprises LLOYD FONDS, LLOYD WEALTH and LLOYD DIGITAL. The LLOYD FONDS REAL ASSETS business segment includes real estate, shipping and other assets.

Following the acquisition of the Bayerische Vermögen Group and of growney GmbH in 2022, LAIQON AG will be realigning its segment reporting in its interim report as of June 30, 2023.

LAIQON AG's corporate culture is characterized by flat hierarchies, cross-departmental team and project work and short decision-making paths. As of December 31, 2022, the LAIQON-Konzern had 154 (previous year: 80) employees (see also Chapter 4, Employees and Remuneration Report in the Management Report).

1.3 Legal structure

As of the reporting date, the LAIQON Group comprised 25 (previous year: 16) affiliated subsidiaries which are fully consolidated in accordance with IFRS. It also includes 46 (previous year: 51) associates. In addition, the Group holds 125 (previous year: 141) equity investments.

SPSW Capital GmbH, Hamburg, is responsible for managing the financial portfolio in the LLOYD FONDS business segment. It is an investment services company with a license in accordance with Section 15 of the German Securities Institution Act. The funds are distributed in Germany by the sales company, LAIQON Solutions GmbH, Hamburg, which holds a license as a financial investment broker in accordance with Section 34f of the Trade Code. In Austria, investment funds are distributed under the EU passport held by LAIC Vermögensverwaltung GmbH, Hamburg, another investment services company within the LAIQON Group, with a license issued in accordance with Section 15 of the German Securities Institution Act.

Asset management company Lange Assets & Consulting GmbH, Hamburg, and BV Bayerische Vermögen GmbH, Munich, form part of the LLOYD WEALTH business segment. In addition, MFI Asset Management GmbH, Munich, engages in financial portfolio management for institutional clients. All three companies have permis-

Shareholder structure of LAIQON Group (as of December 31, 2022)

LAIQON AG, HAMBURG

100 %

– BV Bayerische Vermögen GmbH, Munich
– MFI Asset Management GmbH, Munich
– m+c Asset Allocation GmbH, Munich
– LAIC AIF GmbH, Hamburg
– LAIC AIF Token Mitarbeiter GmbH & Co. KG, Hamburg
– LAIC AIF KVG GmbH, Hamburg
– LAIQON Solutions GmbH, Hamburg
– LAIQON Token GmbH, Hamburg
– V:KI GmbH, Hamburg
– 53.10. Real Assets Treuhand GmbH, Hamburg
– 53.10. Real Estate Management GmbH
– 53.10. Consulting GmbH, Hamburg
– 53.10. Special Assets GmbH, Hamburg
– Trade On GmbH, Hamburg
– PPA Beteiligungsgesellschaft GmbH, Hamburg

90 %

– Lange Assets & Consulting GmbH, Hamburg
– SPSW Capital GmbH, Hamburg

90.25 %

– LAIC Capital GmbH, Hamburg
– LAIC Vermögensverwaltung GmbH, Hamburg

73.6 %

– growney GmbH, Berlin
– growney Technology & Service GmbH, Berlin

80 %

– LAIC Intelligence GmbH, Hamburg

82.36 %

– LAIC AIF Token GmbH & Co. KG, Hamburg

60 %

– LAIQON Financial Service GmbH, Hamburg

48.9 %

Consolidated special-purpose entities
– 2. Lloyd Fonds Shipping Beteiligung GmbH & Co. KG, Hamburg

Further 46 associates

125 investments measured at fair value through profit or loss

sion to provide investment services in accordance with Section 15 of the German Securities Institution Act. Lange Assets & Consulting GmbH and BV Bayerische Vermögen GmbH are members of VuV – Association of Independent Asset Managers in Germany. In addition, m+c Asset Allocation GmbH provides independent, specialized asset allocation advice for institutional investors.

The LLOYD DIGITAL business segment includes the services provided by WealthTech LAIC, the investment in robo-advisor company growney and the asset-tokenization activities via LAIQON Token GmbH.

WealthTech company LAIC is organized as a subgroup within LAIQON AG. The LAIC subgroup consists of LAIC Capital GmbH, Hamburg, as an intermediate holding company and its subsidiaries, LAIC Intelligence GmbH, Hamburg, LAIC Vermögensverwaltung GmbH, Hamburg, and V:KI 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. The object of LAIC Intelligence GmbH is to provide, operate, maintain, manage and license IT and software products.

Fintech company growney GmbH, Berlin, in which LAIQON AG holds a 73.6 % stake as of the reporting date, also engages in financial portfolio management and has permission to provide investment services in accordance with Section 15 of the German Securities Institution Act.

LAIQON Token GmbH is also a consolidated subsidiary within the LAIQON Group. Its purpose is to advise and support companies in connection with the issuance of (tokenized) financial instruments. The services particularly include consulting on the structure and marketing of (tokenized) financial instruments as well as support with investor relations.

53.10. Real Assets Treuhand GmbH (formerly Lloyd Treuhand GmbH), which is responsible for investor relationship management for the legacy funds in the three segments real estate, shipping and other assets within LLOYD FONDS REAL ASSETS, is another of the LAIQON Group's 25 fully consolidated companies.

The shareholder structure of the LAIQON Group is presented on page 33. In addition, Note 6.9.5.2 to the Consolidated Financial Statements sets out the consolidated companies and the Group's shareholdings in accordance with Section 313 (2) of the German Commercial Code (HGB).

1.4 Planning and management process systems

The Company has an internal planning and control system that allows it to respond to changes in the markets and its operating environment in a timely and efficient manner. Deviations from strategic and operational objectives are thus detected and appropriate adjustments initiated. One key aspect of the internal control system entails the extensive reporting and information facilities.

Short-term liquidity management is based on a rolling liquidity preview, which covers a forward range of one year, supplemented by medium-term forecasts. This is an integrated planning model comprising forecasts for the income statement and balance sheet. Both short-term liquidity forecasts and the medium-term model are based on the current business forecasts of the LAIQON Group and aligned with each other. LAIQON AG's Management Board is kept informed of all key performance indicators in reports submitted in monthly or even shorter intervals. The Management Board reports to the Supervisory Board on all matters pertaining to the Company's strategy, forecasts, business performance, risk exposure and management as well as its outlook on a regular, timely and comprehensive basis both in writing and orally. The Management Board requests the Supervisory Board's approval for all transactions of fundamental importance for the Company. A total of 13 Supervisory Board meetings were held in 2022 (see also Report of the Supervisory Board).

In addition to assets under management, LAIQON AG's key performance indicators are sales and consolidated operating profit before interest, taxes, depreciation and amortization (EBITDA).

Client numbers and assets continued to grow in 2022. Compared with December 31, 2021, the assets managed by the LAIQON Group in the LLOYD FONDS LIQUID ASSETS business segment increased by roughly 160 % to around EUR 5.7 billion in the three segments LLOYD FONDS, LLOYD WEALTH and LLOYD DIGITAL (previous year: EUR 2.2 billion). This breaks down into non-organic growth of around EUR 2.7 billion and organic growth of around EUR 0.8 billion. Consequently, the forecast announced on May 24, 2022 of an increase in assets under management to EUR 5.5-6.0 billion in 2022 was achieved.

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 in the second half of 2022. EBITDA improved to EUR -3.2 million in the second half of 2022, compared with EUR -6.7 million in the first half of 2022. All in all, the LAIQON Group thus generated EBITDA of EUR -9.9 million in 2022 (previous year: EUR 4.6 million).

LAIQON AG has installed a risk management system for detecting threats to its business performance at an early stage and allowing it to take appropriate precautions. The Company produces a semi-annual risk report, which is prepared and verified for plausibility by the responsible risk manager. The risk report is submitted to the Management Board for inspection and approval (see Chapter 5 Risk Report within the Management Report).

2 Business report

2.1 Macroeconomic and sector environment

2.1.1 Developments in the global economy

2022 was largely overshadowed by the war in Ukraine, inflation almost everywhere in the world, higher interest rates, mounting risks of a recession and a renewed flare-up of the Covid-19 pandemic at the end of the year in China. The global economy has rarely experienced as many shocks as in 2022. Against the backdrop of the significant rise in energy and food prices, the resulting losses in real income and the noticeable tightening of monetary policy in response to increased inflation, the macroeconomic environment is very subdued in almost all industrialized countries. The International Monetary Fund therefore expects growth in GDP (gross domestic product) to drop by half to around 3 % in 2022.

In contrast to Europe, the economic situation in the United States was less influenced by the Ukraine war and the resulting energy crisis and more by the trailing effects of the Covid-19 pandemic. During the Covid-19 pandemic, the US government and the US Federal Reserve had laid the foundations for a strong economic rebound by adopting expansionary monetary and fiscal policies, which triggered a significant increase in inflation. This reduced real incomes and placed a damper on consumption. Over 2023 as a whole, GDP growth is expected to reach 1.9 %. However, inflation seems to have peaked. In China, which had previously come through the COVID-19 pandemic comparatively unscathed, the situation reversed in 2022. While most countries put the pandemic behind them and returned to normal social conditions in the face of widespread "contagion" (vaccination and natural infections), China maintained its rigid zero-covid policy. Up until December 2022, it repeatedly imposed strict lockdowns, which led to a slump in economic output, with forecast economic growth coming to only 2.9 %. In Europe, the post-pandemic lifting of the restrictions initially gave the economy a strong boost, placing it on an expansionary course up until late summer. However, the consequences of the war in Ukraine seriously burdened the Eurozone and triggered a significant increase in import prices for energy and food, which took a heavy toll on purchasing power. Consumer confidence had already plummeted shortly after the outbreak of war in February 2022. In the further course of the year, corporate confidence also increasingly deteriorated. GDP growth of 2.7 % is expected in the Eurozone in 2022.

The German economy was significantly impacted in 2022 by the Ukrainian war and the associated effects and challenges, particularly with regard to energy supplies. As a whole, it has proven to be resilient in the face of the supply chain bottlenecks that persisted through to the end of the year, record inflation rates, the trade and economic sanctions imposed on Russia, the loss of Russian gas supplies at the end of August and the associated uncertainties over a possible gas shortage in the winter. Full-year GDP is expected to have grown by around 1.9 %

2.1.2 Conditions in the capital market

After further volatile but above-average performance in the previous year, conditions in the capital markets became highly challenging very soon after the beginning of the year from LAIQON AG's perspective. The Ukrainian war unleashed a significant increase in energy costs, especially in Germany and the rest of Europe. Combined with the pre-existing challenges faced by some global supply chains and demand-driven fiscal policy in the United States, global inflation rose to record highs over the course of the year. This posed major challenges for central banks around the world, which subsequently raised interest rates in rapid succession, thus putting an end to negative interest rates, in order to curb inflation and return to the 2 % target in the medium term.

At the beginning of 2022, statements by the US Federal Reserve, which pointed to a much stricter monetary policy than in the past, caused the global stock markets to lose momentum. With the heavy uncertainty that it triggered, the Ukrainian war exerted further strain on both the equity and bond markets. Sanctions imposed on Russia in response to its invasion of Ukraine together with existing constraints in international supply chains led to a rapid rise in inflation, accompanied by weak growth in the major economies. Against this backdrop, the likelihood of a recession increased significantly worldwide, making it all the more difficult for central banks to respond to the threat of stagflation. In addition to the macroeconomic downturn, the capital markets also felt the effects of the significant interest rate hikes by central banks, continuing on their downward trajectory until the end of the third quarter.

Obviously, the increases in key interest rates by central banks over the course of the year had a negative impact on more interest-sensitive growth equities, but also left substantial traces on the valuations of companies that are seen as value-oriented investments. Small and midcaps in particular were particularly affected due to their mostly lower liquidity.

It was not until the fourth quarter of 2022 that upbeat company news was rewarded against the backdrop of very weak market sentiment and generally low prices. Some market participants also speculated on whether key interest rates had already reached their peak in America and Europe. In addition, there was also speculation over the prospect of a merely shallow or even non-existent recession given the copious gas supplies, which reduced the risk of a shortage at least in the event of a mild winter. All of this caused share prices to rebound from mid-October, with blue chips benefiting more than smallcaps in the run-up to the end of the year.

As a result, the main equity indices all closed lower in the year under review, with lows for the year hit between the end of September and mid-October. Specifically, the globally oriented MSCI World benchmark index (in USD) declined by 19.6 % (previous year: +20.1 %), the EURO STOXX50 by 11.9 % (previous year: +20.4 %), the DAX by 12.3 % (previous year: 15.8 %), the MDAX by 28.5 % (previous year: +14.1 %) and the SDAX by 27.3 % (previous year: 11.2 %), with losses of a considerable magnitude.

2.1.3 Sustainability legislation
LAIQON AG believes that, thanks to its allocation and multiplier function, the capital market has an important role to play in mobilizing the capital flows needed for achieving the comprehensive sustainability goals defined by the United Nations and the goals of the Paris Climate Agreement. To this end, a number of sustainable finance measures have been taken at a European and national level in order to enhance transparency and to establish minimum standards among other things.

As far as participants in the financial markets are concerned, the Disclosure Regulation (SFDR: Sustainable Finance Disclosure Regulation; EU Regulation 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector) in particular was an important step forward in terms of ESG transparency as it provides investors with an initial guide to the sustainability aspects of financial products. Level 1 of the Disclosure Regulation entered into force on March 10, 2021. It requires financial market participants to classify their products in one of three categories (Article 6 – “traditional” financial products, which only have to disclose the role of sustainability risks in the investment process, Article 8 – financial products that promote environmental and social characteristics, Article 9 – financial products that aim at sustainable investment). The technical regulatory standards (Level 2) of the Disclosure Regulation took effect on August 14, 2022 and define the specific content, the methodology to be used and the manner in which the information to be disclosed is presented. They must be applied from January 1, 2023. The European Commission wants to additionally enhance transparency on sustainability in the financial market.

Even in its second stage of implementation, the Disclosure Regulation is not the sole indicator of what financial products are considered sustainable in terms of financial advice and asset management. Subject to mandatory application from August 2, 2022, the EU Delegated Regulation on MiFID II places high demands with respect to the compulsory disclosure of investors’ sustainability preferences. These requirements will have a corresponding impact on the structure of the sustainability elements of suitable financial products. The target market concept for sustainable financial products, which has now been acknowledged by BaFin and which the major financial associations have jointly developed (“Association Concept”), is essential for implementation in Germany. For this purpose, financial market participants will increasingly need relevant data from companies for the selection of securities. LAIQON AG believes that the data reported in the European ESG Template (EET) on the investment strategy or securities selection process for financial products will also be of central importance.

The EU taxonomy (EU Regulation 2020/852) currently affects only a small part of the economic activities financed. The European Union has set itself the ambitious goal of extending the taxonomy to include the entire EU economy. Other plans also include a sustainability traffic light for financial products. For this purpose, the economic activities are now to be categorized in a traffic light system that contains an additional transforming category (yellow) in addition to environmentally harmful (red) and environmentally friendly activities (green). It is hoped that this traffic light system hope will render companies’ transition processes more transparent and specifically support them.

2.1.4 Market performance of LLOYD FONDS REAL ASSETS
The war in Ukraine, inflation and rising interest rates led to a paradigm shift in the real estate market. Mounting uncertainty among market participants manifested itself in a significant decline of around EUR 67 billion in the value of transactions in the German real estate market in 2022 (previous year: EUR 113.8 billion). This reflected the strong performance in the first half of 2022, while the second half of the year was increasingly characterized by investor restraint and market observation. At around EUR 22 billion, most of the capital was invested in office real estate, followed by residential properties (around EUR 14.4 billion). Transactions in logistics real estate accounted for around EUR 9.6 billion, thus increasing their relative share to almost 15 %. The rebound in retail real estate at the end of the third quarter of 2022 gained momentum over the year as a whole. At around EUR 9.4 billion, transaction volumes fell only slightly short of those for logistics real estate.

According to a study by consulting company PwC on German shipping companies, pent-up demand for worldwide transport after the Covid-19 pandemic has driven container prices as well as freight and charter rates, especially in container shipping. In the tanker market, the Ukraine war affected the dynamics of the freight market, resulting in significant upheavals, particularly with regard to Russia’s stance on oil price caps. One challenge for many German shipping companies is the environmentally friendly expansion of their fleet, which currently involves many uncertainties as to what regulatory and environmental measures will ultimately apply from what date and what environmental technologies will end up finding market acceptance. In addition to foreseeable surplus capacities and market adjustments, criticism has also been expressed over the shortage of transport, shipyard and terminal capacities.

2.2 Business performance and economic conditions

2.2.1 Material events in 2022

Cash equity issues executed by LAIQON AG
In 2022, LAIQON AG completed two equity issues. The Company issued fresh equity with subscription rights in February 2022 together with a simultaneous private placement entailing a total of 615,000 new shares. All new shares were placed at an issue price of EUR 12.00. The issue generated gross proceeds of roughly EUR

7.4 million for LAIQON AG. The new shares were dividend-entitled from January 1, 2021.

This was followed in October 2022 by a cash equity issue subject to the exclusion of shareholders' pre-emptive subscription rights and a selling prospectus in a private placement of 777,741 new shares. All new shares were placed at an issue price of EUR 6.75. The issue generated gross proceeds of roughly EUR 5.2 million for LAIQON AG. The new shares were dividend-entitled from January 1, 2022.

Both cash equity issues were subscribed to by existing and new shareholders.

Convertible bond 2019/2022 converted in full

The 3.75 % convertible bond 2019/2022 issued by LAIQON AG was converted into shares by all investors upon expiry. This involved a total nominal amount of EUR 6.1 million at an adjusted conversion price of EUR 6.08 per share. As a result of the conversion, 1,003,816 new LAIQON AG bearer shares were issued at a nominal price of EUR 1.00 each.

Investment in growney GmbH

LAIQON AG has acquired a 73.6 % stake in the digital asset management company growney GmbH, the winner of the Stiftung Warentest test. In a preliminary step, LAIQON AG had acquired a 17.75 % stake in growney GmbH through cash contributions totaling EUR 3 million in February 2022. This was followed in December 2022 by a further increase in the share in this company. For this purpose, LAIQON AG initially executed a non-cash issue of new LAIQON AG shares in favor of the existing shareholders of growney GmbH. This was followed by a cash equity issue of EUR 1 million for the fintech. A further cash equity issue of EUR 1 million is planned for the second quarter of 2023. The owner control proceedings initiated as a prerequisite for the acquisition of a qualified majority interest in growney GmbH were completed at the end of November 2022.

Acquisition of Bayerische Vermögen Group completed

In a letter dated March 15, 2022, BaFin confirmed that the owner control proceedings had been completed as a further key prerequisite for the acquisition of BV Holding AG, the Bayerische Vermögen Group. Following the acquisition, BV Holding AG was fully consolidated within the LAIQON Group from April 1, 2022.

Stefan Mayerhofer new Chief Wealth Officer

With the completion of the acquisition of BV Holding AG, Stefan Mayerhofer was also appointed to LAIQON AG's Management Board, assuming the position of Chief Wealth Officer. His contract runs from April 1, 2022 until March 31, 2026.

Alexander Gröbner Divisional Chief Financial Officer

In addition, Alexander Gröbner was appointed the new divisional board member in charge of finance at LAIQON AG upon the completion of the acquisition of BV Holding AG. He is also responsible for regulatory matters within the LAIQON Group and for the continued integration of the Bayerische Vermögen Group.

Departure of Michael Schmidt from the Management Board

Michael Schmidt left LAIQON's Management Board for personal reasons effective March 31, 2022. He will remain as a direct advisor to the Management Board and the Supervisory Board, thus continuing to contribute his expertise to the LAIQON Group, particularly in the area of sustainability and in institutional business.

Annual general meeting 2022

At LAIQON AG's annual general meeting, which was held on July 21, 2022, all resolutions on the nine items of the agenda were passed with majorities of up to 99.99 percent. This particularly included item 7, the resolution to change the Company's name to LAIQON AG and to make the corresponding amendment to its articles of incorporation, which was passed with a majority of 99.54 %.

2.2.2 Performance of LLOYD FONDS LIQUID ASSETS

LLOYD FONDS

The LLOYD FONDS business segment is positioned as a specialist provider of non-benchmarked equity, fixed-income and mixed funds with a clear focus on active alpha strategies.

Financial portfolio management for these securities is provided by SPSW Capital GmbH, Hamburg, an investment services company licensed in accordance with Section 15 of the German Securities Institution Act. The capital management company for the funds is Universal-Investment-Gesellschaft mbH, Frankfurt am Main.

As of December 31, 2022, the active asset management funds offered by the LLOYD FONDS business segment comprised the three equity funds LF – European Hidden Champions (EHC, ISIN R tranche: DE000A2PB598), LF – Green Dividend World (GDW, ISIN R tranche: DE000A2PMXF8) and LF – European Emerging Champions (EEC, ISIN R tranche: DE000A2QK6F7, equity fund until November 14, 2022, transferred to an affiliated entity), LF – WHC Global Discovery (WHC, ISIN R tranche: DE000A0YJMG1) and LF – Global Multi Asset Sustainable (GMAS, ISIN R tranche: DE000A1WZ2J4), LF – Sustainable Yield Opportunities (SYO, ISIN R tranche: DE000A2PB6F9), the money-market-oriented LF – ASSETS Defensive Opportunities (ADO, ISIN R tranche: DE000A1JGBT2) and the special AIF LF – Active Value Selection (AVS, ISIN: DE000A1C0T02).

In addition, SPSW Capital GmbH manages a share mandate for a Scandinavian pension fund and, since August 2021, a fixed-income mandate for a pension fund based in Germany.

The equity, fixed-income and mixed funds managed by SPSW Capital GmbH in 2022 invest on the basis of solid individual name selection. Each mandate is based on a dedicated investment strategy pursued by the fund manager. The actual value, returns and growth opportunities of a given company and its stock market value form the core of fund management activities. The fund managers use all available data and information for the valuation of the individual names. ETF investments (index funds) are deliberately avoided in all funds so that the opportunities and risks of the funds can be managed individually.

Portfolio management follows the conviction that national economies will have to reduce their consumption of natural resources and improve their ecological footprint in the future if prosperity is to be secured for future generations in a viable environment. All the retail funds managed by the Company are therefore aligned to the United Nations Sustainable Development Goals (SDGs) as a guiding framework in their analysis process, with the sustainability analysis directly integrated in the investment processes. Out of a total of seven assessment criteria categories, the valuation of the portfolio companies on the capital market from a sustainability perspective is of particular importance for determining whether risks from controversial business activities are taken into account adequately or whether additional valuation potential can be harnessed if such business activities are reduced. Reflecting the Company's positioning as a specialist provider of non-benchmarked equity, fixed-income and mixed funds with a focus on active alpha strategies, analyses of the ESG opportunities and risks are performed at the level of the individual names to be selected for the funds under management. The analysis does not focus exclusively on negative lists, exclusions and retrospective static ESG assessments but looks at the efforts taken by companies to change their business models and achieve the sustainability goals derived from the SDGs.

On the basis of the range of funds described, the GDW fund was categorized in accordance with Article 9, the ADO, SYO, GMAS, WHC and EHC funds in accordance with Article 8 and the two EEC funds and the AVS funds in accordance with Article 6 of the SFDR (Sustainable Finance Disclosure Regulation; EU Regulation 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector). Looking forward, the strategies applied by individual funds, such as GMAS, are to be expanded to take full account of sustainable investing in accordance with Article 9 of the Disclosure Regulation.

LLOYD WEALTH

Lange Assets & Consulting GmbH (LAC), Hamburg, and the Bayerische Vermögen Group engage in personal wealth management within the LLOYD WEALTH business segment.

Personal asset management is committed to the proactive, holistic 360° implementation of the individual goals pursued by high networth and institutional customers. In addition, bespoke solutions for family offices and foundations are developed, resulting in the additional management of mandates and foundation assets.

The LAIQON Group's entire network is available to LAC and the Bayerische Vermögen Group for achieving these objectives. LAC and Bayerische Vermögen Group, through its subsidiaries BV Bayerische Vermögen GmbH and MFI Asset Management GmbH, have the necessary permits to provide financial services in accordance with Section 15 of the German Securities Institution Act. LAC and BV Bayerische Vermögen GmbH are also members of VuV – Association of Independent Asset Managers in Germany. In addition, m+c Asset Allocation GmbH provides independent, specialized asset allocation advice for institutional investors.

In 2022, LAC successfully expanded its family office business, gaining several new mandates. Within its personal 360-degree asset management, monitoring and reporting activities in particular were expanded, including with regard to non-liquid assets. MFI Asset Management GmbH, which handles traditional management of institutional investments primarily in the form of individualized special mandates, has also secured several new special mandates.

LLOYD DIGITAL

With its proprietary, artificial intelligence-based system (LAIC ADVISOR®), WealthTech company LAIC (LLOYD DIGITAL) offers digital and risk-optimized investment solutions for portfolio optimization for retail and institutional investors. In addition, it holds a stake in Berlin-based fintech and robo advisor growney GmbH.

As of December 31, 2022, LAIC offered individual custodian accounts, five mixed funds (LF – AI Defensive Multi Asset (ISIN: DE000A2P0UB1), LF – AI Balanced Multi Asset (ISIN: DE000A2P0T77), LF – Dynamic Digital Selection (ISIN: DE000A2P0UF2), LF – AI Dynamic Multi Asset (ISIN: DE000A2P0T36) and LAIC – Sustainable Digital Selection AC (ISIN: DE000A2PS3N1)), six fund-tied pension insurance schemes and an institutional retail fund (LAIC – Digital Institutional Europe (ISIN: DE000A2QCXA8)).

Via the individual portfolio LAIC – VERMÖGEN, high net worth individuals and institutional investors are able to invest a minimum of EUR 50,000 with digital support according to their preferences. The digitally managed mixed funds offer retail investors a broadly diversified investment solution with predefined ancillary conditions in defined risk classes. The capital management company for the funds is Universal-Investment-Gesellschaft mbH, Frankfurt am Main. There are also fund-linked, tax-privileged pension funds with six insurance partners, including Ergo Direct AG, Bayerische Beamten Lebensversicherung a.G. and Barmenia Allgemeine Versicherungs-AG, that use LAIC's AI-controlled investment funds as the engine for their investments. These investment solutions are also targeted at private investors. The institutional retail fund LAIC – Digital Institutional Europe was developed and launched together with an institutional client to address the requirements of German Volksbank and Sparkasse banks in "Depot A" business.

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.

In addition, LAIQON AG holds a stake in growney GmbH. In a preliminary step, LAIQON AG had acquired a 17.75 % stake in growney GmbH through cash contributions totaling EUR 3 million in March 2022. This was followed in December 2022 by a further increase in the share in this company to 73.6 %.

The company is one of the pioneers in digital asset management. A key asset here is the user-centric access to professionally managed wealth accumulation. With ETF savings plans starting at just EUR 25 per month, growney is particularly attractive for private individuals of all ages and salary groups. A total of 10 investment strategies, including 5 sustainable ones, are pursued according to clients' personal financial goals and risk profile. The ETFs used include around 5,000 stocks in 45 countries. The different strategies are rebalanced regularly on an automated basis. Digital access is to be systematically expanded to include other attractive financial products, such as overnight and fixed-term deposit offers and digital pension insurance offers.

2.2.3 Performance of LLOYD FONDS REAL ASSETS

The LLOYD FONDS REAL ASSETS business segment includes real estate, shipping and other assets.

Real estate

As of December 31, 2022, the real estate team managed three active funds investing in Germany and the Netherlands. The portfolio comprises a leased floor area of around 28,300 square meters with a current number of 13 tenants. The occupancy rate stands at around 98 %, based on the office and hotel floor space. In terms of types of use, the portfolio breaks down into 60 % office and 40 % hotel investments, based on the total rental space.

Shipping

The fleet under management by LAIQON AG was composed of a total of five product and crude oil tankers held in a total of five ship funds as of December 31, 2022. In addition, two secondary market funds for ship investments are under management, while a third one is in liquidation. As of December 31, 2022, the portfolio of these secondary market funds consisted of 13 container ships and 11 tankers.

Other assets: Aircraft, UK life insurance, private equity, etc.

As of December 31, 2022, Lloyd Fonds AG managed two aircraft funds. The fleet currently consists of three aircraft: an Airbus A380 long-haul aircraft and two Airbus A319 medium-haul aircraft.

53.10. Real Assets Treuhand GmbH manages four funds investing in traded UK endowment policies, that are now under liquidation.

In addition, LAIQON AG had on its books an originally broadly diversified fund managed by US investment company Neuberger Berman, which is currently also under liquidation.

In the field of renewable energies, 53.10. Real Assets Treuhand GmbH manages two wind farm funds.

As well as this, LAIQON AG manages two portfolio funds which it initiated and which invest in a broad range of asset classes.

2.3 Target achievement and general statement on economic situation

LAIQON AG continued to execute its Strategy 2023/25 2.0 in a very challenging capital market environment overshadowed by the Ukraine war, significantly higher interest rates, rising inflation and mounting recession risks. In doing so, it reached the following main milestones:

Expanded Strategy 2023/25 2.0

LAIQON AG has taken its existing Strategy 2023/25 to the next level by presenting Strategy 2023/25 2.0 at the annual general meeting on July 21, 2022. The new strategy builds on the acquisitions of growney GmbH and the Bayerische Vermögen Group in 2022 and their successful integration within the LAIQON Group.

With its 2023/25 2.0 strategy, LAIQON AG is addressing both private individuals and institutional investors as a premium-quality provider offering a full range of sustainable products and solutions. To this end, the Company has positioned itself in four growth markets, namely asset management, wealth management, digital wealth and advisory.

All activities are independent, individual, transparent and client-centric. In this way, it should be possible to specifically address the investment needs of all target groups, from private individuals to institutional investors. The individual strategies are therefore determined by the fulfillment of client needs.

The platform strategy in the form of Digital Asset Platform 4.0 is the connecting element of the business model, enabling LAIQON AG to address the entire client value chain and to scale it as required.

The aim of Strategy 2023/25 is to position LAIQON AG as an innovative quality leader in asset management in Germany as an asset management factory.

Acquisition of Bayerische Vermögen Group/growney GmbH completed

Underpinned by additional non-organic growth, the acquisition strategy was successfully continued with the strategic addition of the Bayerische Vermögen Group to the LLOYD WEALTH business segment and growney GmbH to the LLOYD DIGITAL business segment.

In addition to the increase in assets under management, the strategic reinforcement of the value chain, especially in the institutional capital segment, was the decisive factor in these acquisitions. As well as addressing high net worth individuals, the Bayerische Vermögen Group has a pronounced focus on business with institutional investors, operating with a highly experienced team in this market.

With the acquisition of a stake in fintech company growney GmbH, an established and already award-winning robo-advisor was integrated. LAIQON AG has thus acquired a stake in a successful and rapidly growing digital asset manager concentrating on direct retail business and ETF-based investment solutions. The value chain can thus be significantly reinforced by addressing different customer groups by means of different product solutions, price expectations and sales channels outside LAIC.

With the two acquisitions, it has also been possible to significantly expand the number of B2C relationships. Thus, the acquisition of the Bayerische Vermögen Group in combination with growney GmbH resulted in an increase of more than 10,000 direct end-clients.

Growth in institutional capital
LAIQON AG has teams of specialists who contribute their reputation, contacts and investment experience to the Company for the benefit of its clients. Thus, SPSW Capital GmbH and MFI Asset Management GmbH both succeeded in expanding existing mandates with institutional clients as well as gaining new ones.

Implementation of sales channels and new partnerships
As the number of market participants to be addressed is growing and becoming more diverse, particularly due to the new online channels, sales through the four sales channels - direct sales, online sales, external partner sales and white label exclusive partners - underwent further expansion in 2022. With the product diversity that has been achieved, LAIQON AG is able to offer a full range addressing almost all target groups, something which is contributing to the high future scalability of its business model.

In addition, further sales partnerships were established. For example, new partners were added to the white-label platform V:KI SmartInvest, which combines the experience of Genossenschaftliche Finanzgruppe with LAIC's skills. As well as this, it was possible to integrate a total of six new insurance companies, including Ergo Direct AG, Bayerische Beamten Lebensversicherung a.G. and Barmenia Allgemeine Versicherungs-AG, that use LAIC's AI-controlled investment funds as the engine for their fund-linked, tax-privileged pension funds.

Increase in assets under management to EUR 5.7 billion
Client numbers and assets under management continued to grow in 2022. The LAIQON Group's assets under management rose to around EUR 5.7 billion (previous year: EUR 2.2 billion), equivalent to an increase of roughly 160 % over the previous year. This breaks down into non-organic growth of around EUR 2.7 billion and organic growth of around EUR 0.8 billion. As a result, the forecast announced on May 24, 2022 of an increase in assets under management to EUR 5.5-6.0 billion in 2022 was achieved. All in all, it was thus possible to increase assets under management by roughly 440 % over the three years from 2020 to 2022 (December 31, 2019: EUR 1.06 billion). In a very challenging capital market environment in 2022, this is a testament to the strength of Strategy 2023/25. 2.0.

24 % increase in fixed sales to EUR 20.8 million
The LAIQON Group generated total sales of EUR 21.6 million, including fixed sales of EUR 20.8 million (previous year: EUR 16.8 million), equivalent to a further increase of around 24 % over the previous year. After no significant performance fees had been collected from asset management in the first half of 2022, performance fees of around EUR 0.8 million were invoiced in the second half of the year.

Improvement in operating earnings in the second half of 2022
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 in the second half of 2022. EBITDA improved to EUR -3.2 million compared with the first half of 2022 (EUR -6.7 million) All in all, the LAIQON Group thus generated EBITDA of EUR -9.9 million in 2022 (previous year: EUR 4.6 million).

Group liquidity came to EUR 10.4 million as of December 31, 2022 (previous year: EUR 16.3 million).

3 Results of operations, net assets and financial condition

3.1 Results of operations

The breakdown of and changes in the individual items of the LAIQON Group's income statement are described in the following analysis.

The Group's results of operations in the year under review as well as in the previous year were as follows:

	2022	2021
EUR thous.		
Sales	21,575	26,122
Cost of sales	-3,665	-2,702
Staff costs	-17,113	-11,341
Depreciation/amortization and impairment losses	-4,711	-3,938
Net other operating income/expenses	-11,024	-7,796
Share of profit of associates	281	327
Earnings before interest and taxes (EBIT)	**-14,657**	**672**
Net finance income/expense	-1,630	5,747
Earnings before taxes (EBT)	**-16,288**	**6,419**
Income taxes	5,747	213
Consolidated net profit before non-controlling interests	**-10,541**	**6,632**
of which attributable to non-controlling interests	**-376**	**1,481**
of which attributable to LAIQON shareholders	**-10,165**	**5,151**

Sales are a key performance indicator for the LAIQON Group. Sales changed as follows in the year under review:

	2022	2021
EUR thous.		
Income from fund and asset management	21,267	26,122
Income from arrangement and structuring services	308	–
Others	–	–
Sales	**21,575**	**26,122**

Compared with the previous year, sales dropped by a total of EUR 4,547 thousand to EUR 21,575 thousand in 2022 due to the lower performance fees generated from fund management in the LLOYD FONDS LIQUID ASSETS business segment. Income from arrangement and structuring services came to EUR 308 thousand in the year under review.

The cost of sales rose by EUR 963 thousand over the same period in the previous year to EUR 3,665 thousand due to the enlarged reporting entity structure.

Staff costs came to EUR 17,113 thousand in 2022, compared with EUR 11,341 thousand in the previous year.

In addition, expenses of EUR 134 thousand were incurred in the year under review (previous year: EUR 352 thousand) for the stock option program (SOP) for individual employees and for the phantom stock plans (PSP).

The employer contributions to the statutory pension scheme as well as contributions to direct insurance cover are classified as defined-contribution plans in accordance with IAS 19.38. In the year under review, these expenses came to EUR 683 thousand (previous year: EUR 413 thousand).

Compared with the previous year, amortization/depreciation increased by EUR 773 thousand to EUR 4,711 thousand. In the year under review, systematic depreciation of property, plant and equipment climbed by EUR 366 thousand to EUR 1,994 thousand. This included depreciation of right-of-use assets of EUR 1,387 thousand (previous year: EUR 1,088 thousand). The increase in the amortization of intangible assets from EUR 2,310 thousand to EUR 2,718 thousand is mainly due to the amortization of customer relationships recognized in connection with business combinations.

The increase in net other operating expenses from EUR 7,796 thousand to EUR 11,024 thousand particularly reflects legal and consulting costs in connection with the business combinations.

The share of profit of associates of EUR 281 thousand (previous year: EUR 327 thousand) primarily entails net investment income earned and the share of the net profit/loss of associates.

Net finance expenses came to EUR 1,630 thousand, compared with net finance income of EUR 5,747 thousand in the previous year, which had been characterized by a non-recurring effect. The net interest expense of EUR 3,893 thousand (comparison period: EUR 9,835 thousand) results from interest expenses in connection with the purchase price liabilities (EUR 1,674 thousand), borrowing costs (EUR 753 thousand) and the discount factor unwind on lease liabilities in connection with IFRS 16 (EUR 392 thousand).

The remaining net finance expenses of EUR 275 thousand includes the fair value measurement of financial assets in accordance with IFRS 9 and is particularly influenced by the measurement of security deposits.

As a result, the LAIQON Group achieved earnings before taxes (EBT) of EUR -16,288 thousand in 2022 (previous year: EUR 6,419 thousand).

Income taxes for the year under review stand at EUR 5,747 thousand, compared with EUR 213 thousand in the previous year. The deferred income taxes of EUR 5,476 thousand (previous year: EUR 1,500 thousand) primarily comprise deferred income tax assets of EUR 4,811 thousand for unused tax losses within the five-year planning horizon. Based on the underlying Group budget, future Group profits will benefit from tax advantages derived from unused tax losses. Current tax income/expense includes income of EUR 271 thousand, after tax expense of EUR 1,287 thousand in the previous year. Tax income is attributable in particular to reversed tax provisions and positive tax group effects.

All told, consolidated net profit attributable to the shareholders of LAIQON came to EUR -10,165 thousand in 2022 (previous year: EUR 5,151 thousand).

LAIQON AG has additionally enhanced the brand positioning for the Group and the three business segments LLOYD FONDS LIQUID ASSETS, LLOYD FONDS REAL ASSETS and LLOYD FONDS GROUP under its strategy 2023/25 2.0. The LLOYD FONDS LIQUID ASSETS segment includes LLOYD FONDS, LLOYD ASSETS and LLOYD DIGITAL. The LLOYD FONDS REAL ASSETS segment includes real estate, shipping and other assets. The LAIQON GROUP business segment includes the general other expenses attributable to the LAIQON Group. In the course of the further integration of the acquired companies in the course of 2023, the business segments will be modified to include the Company's new name and the Group strategy in the interim report as of June 30, 2023.

The "LLOYD FONDS GROUP" segment is primarily composed of staff costs for the administrative and corporate units such as accounting, legal, communications (IR/PR) including marketing and the Management Board as well as general other operating expenses, e.g. rental, office and IT expenses.

The following section provides further information on the consolidated earnings for the business segments LLOYD FONDS LIQUID ASSETS, LLOYD FONDS REAL ASSETS and LLOYD FONDS GROUP.

3.1.1 LLOYD FONDS LIQUID ASSETS segment

The sales of EUR 17,448 thousand (previous year: EUR 20,211 thousand) include income of EUR 9,248 thousand (previous year: EUR 19,569 thousand) from the fund and asset management activities performed by SPSW Capital GmbH. Net other operating income/expenses mainly comprise expenses for the further development of the IT system (EUR 2,753 thousand), legal and consulting expenses (EUR 4,288 thousand) and sales support costs (EUR 1,267 thousand).

3.1.2 LLOYD FONDS REAL ASSETS segment

Compared to the previous year, sales decreased by EUR 1,705 thousand from EUR 3,449 thousand to EUR 1,744 thousand. This is particularly due to lower income from trusteeship business as a result of expiring trust agreements and asset sales.

The staff costs of EUR 1,383 thousand (previous year: EUR 1,726 thousand) and other operating expenses of EUR 891 thousand (previous year: EUR 1,187 thousand) continued to decline.

The net finance income/expense of the three business segments decreased from EUR 5,747 thousand to EUR -1,630 thousand.

3.2. Net assets

The Group's net assets as of December 31, 2022 and December 31, 2021 are analyzed in the following table:

Assets EUR thous.	2022	2021
Property, plant and equipment and intangible assets	100,729	64,706
Financial assets	2,613	18,988
Deferred income tax assets	15,003	10,192
Receivables and other assets	11,121	6,744
Cash and cash equivalents	10,375	16,331
Total assets	**139,841**	**116,961**

Equity and liabilities EUR thous.	2022	2021
Consolidated equity	72,088	48,362
Deferred income tax liabilities	17,052	12,155
Financial liabilities	18,846	17,847
Other liabilities	31,856	38,597
Total assets	**139,841**	**116,961**

Total assets rose by EUR 22,880 thousand from EUR 116,961 thousand at the end of 2021 to EUR 139,841 thousand as of December 31, 2022. This was due to the following factors:

On the assets side, property, plant and equipment and intangible assets increased by EUR 36,023 thousand from EUR 64,706 thousand to EUR 100,729 thousand. Additions to property, plant and equipment amounted to EUR 501 thousand and were related to the acquisition of IT hardware and the purchase of new operating and office equipment. Alongside the additions to assets in the reporting period, right-of-use assets as defined in IFRS 16 exerted a particularly strong effect. The right-of-use assets were valued at EUR 7,569 thousand as of the reporting date (previous year: EUR 6,888 thousand).

Intangible assets rose by EUR 35,522 thousand to EUR 90,293 thousand (previous year: EUR 54,771 thousand) due to goodwill and capitalized fund management contracts in connection with the business combinations.

On the assets side, financial assets fell by EUR 16,375 thousand from EUR 18,988 thousand to EUR 2,613 thousand. This decline was due to the sale of two entities and the full consolidation of Lange Assets & Consulting GmbH.

Deferred income tax assets were recognized in 2022 on unused tax losses of EUR 15,003 thousand (previous year: EUR 10,192 thousand). Based on the underlying Group budget with a forward range of five years, future Group profits will benefit from tax advantages derived from unused tax losses.

Receivables and other assets climbed from EUR 6,744 thousand to EUR 11,121 thousand.

The increase in trade receivables from EUR 2,326 thousand to EUR 4,206 thousand as of the reporting date was mainly due to the enlarged reporting entity structure.

Cash and cash equivalents dropped by a total of EUR 16,331 thousand to EUR 10,375 thousand. Reference should be made to the notes on the Group's financial condition for a detailed analysis of cash and cash equivalents.

On the other side of the balance sheet, equity increased by EUR 23,726 thousand from EUR 48,362 thousand to EUR 72,088 thousand as of the reporting date.

This increase is due to the cash and non-cash equity issues completed as well as the full conversion of convertible bond 2019/2022. It also includes the net loss for the year of EUR 10,165 thousand (previous year: net profit of EUR 5,151 thousand). A put option was agreed upon in connection with the sale of 20 % of the shares in LAIC Intelligence GmbH. This resulted in a deduction of EUR 251 thousand (previous year: EUR 163 thousand) from equity as of the reporting date.

The equity ratio in the year under review was 51.55 % after 41.35 % in the previous year.

The increase of EUR 4,897 thousand in deferred income tax liabilities from EUR 12,155 thousand to EUR 17,052 thousand is mainly due to the recognition of deferred income tax liabilities in connection with business combinations.

Financial liabilities climbed by EUR 999 thousand from EUR 17,847 thousand to EUR 18,846 thousand.

Non-current financial liabilities include the debt component of the convertible bonds of EUR 3,810 thousand issued in 2020 (previous year: EUR 4,234 thousand) as well as the annuity loan of EUR 5,975 thousand raised in the year under review. Current financial liabilities include the current component of the annuity loan and the outstanding interest accruing in connection with the convertible bond not yet paid out as of the reporting date.

They also include lease liabilities in accordance with IFRS 16 of EUR 8,157 thousand (previous year: EUR 7,471 thousand).

Other liabilities fell by EUR 6,741 thousand from EUR 38,597 thousand to EUR 31,856 thousand. They include trade payables of EUR 4,323 thousand (previous year: EUR 3,740 thousand), miscellaneous liabilities of EUR 17,334 thousand (previous year: EUR 21,865 thousand), other provisions of EUR 310 thousand (previous year: EUR 276 thousand), liabilities to related parties of EUR 3,549 thousand (previous year: EUR 6,061 thousand), the net asset value attributable to other limited partners of EUR 4,359 thousand (previous year: EUR 5,151 thousand) and current income tax liabilities of EUR 1,982 thousand (previous year: EUR 1,780 thousand).

Miscellaneous liabilities are mainly attributable to the discounted liability arising from the purchase price installments of a total of EUR 7,891 thousand due to external third parties in the years from 2023 to 2027 for the acquisition of SPSW Capital GmbH as well as the discounted purchase price liability of EUR 2,010 thousand for the years from 2023 to 2026 in connection with the acquisition of Lange Assets & Consulting GmbH. The amount of each tranche is tied to a specific performance indicator among other things. In addition, they include the purchase price liabilities from the acquisition of BV Holding AG (EUR 1,130 thousand) and Selection Asset Management GmbH (EUR 815 thousand). A put option was agreed upon in connection with the sale of 20 % of the shares in LAIC Intelligence GmbH and is recognized as a non-current liability of EUR 251 thousand as of the reporting date (previous year: EUR 163 thousand).

Liabilities to related parties mainly concern the liability arising from future purchase price installments to be paid to Plate & Cie. GmbH for the shares in SPSW Capital GmbH.

Furthermore, the non-controlling interests in the consolidated companies LAIC AIF Token GmbH & Co. KG and LAIC TOKEN MITARBEITER GmbH & Co. KG are included in the net asset value attributable to the other limited partners of EUR 4,193 thousand (previous year: EUR 5,000 thousand).

3.3 Financial condition

The LAIQON Group's financial management activities are handled by the finance department with the primary purpose of safeguarding solvency and strengthening the Group's financial resources. Treasury activities ensure the availability of liquidity at all times within the Group, manage risks arising from financial instruments and optimize Group-wide cash management. To this end, rolling liquidity planning broken down by currency and with a horizon of up to one year is used. The medium-term financial forecast is prepared using an integrated planning tool based on the current business forecast for the following five financial years.

The Group's financial condition in the year under review as well as in the previous year was as follows:

EUR thous.	2022	2021
Consolidated net profit/loss before non-controlling interests	-10,541	6,632
Non-cash income and expenses	6,748	3,347
Changes to working capital	-4,349	3,670
Dividends and profit distributions received	5,903	6,307
Interest and income taxes received and paid	-526	–
Cash flow from operating activities	**-2,765**	**19,956**
Cash flow from investing activities	-8,472	-1,117
Cash flow from financing activities	5,281	-9,041
Net cash inflow/outflow	**-5,956**	**9,798**
Cash and cash equivalents at the beginning of the period	16,331	6,533
Cash and cash equivalents at the end of the period	**10,375**	**16,331**

In the year under review, a net cash outflow of EUR 2,765 thousand was generated from operating activities (previous year: net cash inflow of EUR 19,956 thousand). The consolidated net loss from operating activities had a negative effect of EUR 10,541 thousand.

Non-cash income and expenses particularly include depreciation and amortization (EUR 4,691 thousand).

The net cash outflow flow of EUR 8,472 thousand from investing activities particularly reflects payments for additions to the reporting entity structure.

The cash flow from financing activities was particularly affected by the payment of the purchase price liabilities of EUR 11,288 thousand to the non-controlling shareholders of SPSW Capital GmbH and Lange Asset & Consulting GmbH as well as the proceeds from cash equity issues and from an annuity loan.

Free cash and cash equivalents dropped by EUR 5,956 thousand in the year under review from EUR 16,331 thousand to EUR 10,375 thousand.

Reference should be made to the risk report (Section 5 of the management report) and the additional disclosures in the notes to the consolidated financial statements (Notes 6.9.2) for an analysis of the Group's main provisions and contingent liabilities.

4 Employee and remuneration report

LAIQON AG's employees play a crucial role for the Company. Their loyalty and motivation are key factors in the success of the Company's business and the achievement of its goals within the framework of Strategy 2023/25 2.0.

On December 31, 2022, the LAIQON Group, including the Bayerische Vermögen Group and growney had 154 employees (previous year excluding Bayerische Vermögen Group and growney: 80) (not including the Management Board, employees on maternity or parental leave, apprentices and temporary staff). The Company's employees have an average age of 44.8 years Roughly 73 % are male and roughly 27 % female.

Since September 1, 2019, LAIQON AG has been enabling two employees to participate in a practical and cooperative work-study program at the HSBA Hamburg School of Business Administration. Both employees were offered permanent employment contracts after the successful completion of their studies. Moreover, LAIQON AG helps young and committed school-leavers by offering them opportunities for embarking on a career as interns or student trainees.

One focus of the activities in the Human Resources department in 2022 was the recruitment of further qualified specialists. LAIQON AG operates in an environment characterized by heavy national and international competition. This means that the Company is all the more dependent on qualified, competent and committed employees. LAIQON AG therefore attaches particular importance to employer/employee relations based on a spirit of partnership and respect for employees' individual interests. In addition to attractive remuneration, this includes flexible working hours and the option of working from home. Through the mobile working arrangements, the employer helps to ensure that employees generate fewer emissions on their way to work and that socially responsible time management (work-life balance) is possible.

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 LAIQON AG are additionally entitled to participate in a stock option program.

Alongside fixed salary components, the members of the Management Board receive variable remuneration based on their personal performance and LAIQON AG's development.

The variable remuneration is subject to a cap. In addition, one member of the Management Board participates in a phantom stock plan.

Another focus of activities in the first half of 2022 concerned the Covid-19 response in the light of the requirements of the authorities and recommendations of scientists regarding the protection of employees, customers and business partners in close consultation with the Management Board. The response plans ensured that employees were able to perform their duties free of any disruption. This was possible at all of the Group's offices thanks to the provision of modern and agile workstations and state-of-the-art devices, permitting employees to work from home at all times. This safeguarded employees' accessibility and ability to work at all times.

In addition to attracting further employees, the integration of the companies acquired in the year under review will be a major focus of activities in 2023 in terms of joint personnel work. In this area, LAIQON AG is also using its cloud-based platform, which manages various decentralized software solutions from payroll accounting to personnel development. The systems ensure agile and centralized administration of all data and processes in personnel work, thus enabling professional, automated and modern personnel management.

A further focus of work in the current year will also entail the implementation of upskilling and further education activities for employees. This includes further training in employees' individual areas of specialization, management and IT seminars and presentation training.

5 Risk report

The following risk report takes into account the risks to which LAIQON AG is exposed as of December 31, 2022.

5.1 Risk management system

LAIQON AG has a risk management system for detecting at an early stage any developments liable to affect its going-concern status. In addition to LAIQON AG itself, this system also covers all main subsidiaries whose business activities expose the Group to material risks. With the assistance of software systems and transparent processes, the aim is to identify and assess risks at an early stage as a basis for taking appropriate precautions. The Management Board defines risk management policy, which is then put into practice by the central risk management department / risk administrator. The risk management department ensures that the operating departments identify and measure risks in both quantitative and qualitative terms of their own accord and with minimum delay and implement precautions for averting or mitigating risk.

Risks are reviewed and re-measured on the basis of a systematic risk inventory. At the same time, there is an internal ad-hoc reporting duty with respect to any new risks identified by the responsible persons. Each risk identified is assigned to a risk group. When risks are reported and measured for the first time, it is necessary to determine the potential loss and probability in accordance with the risk policy adopted by the Company. Risks are measured and reviewed semi-annually as well as on an ad-hoc basis.

The result of the systematic risk inventory is submitted to the Management Board on a semi-annual basis in the form of a graphic, tabular and written evaluation of all risks. A semi-annual report is also submitted to the Supervisory Board. The risk management process thus provides a structured view of the existing risk situation, improvements to corporate management, transparency and documentation of risk management practices, heightened awareness and ultimately also the basis for internal and external risk reporting.

The following assessment of the risks is based on their probability and the amount of loss (impact on liquidity). Each of these two dimensions is assessed using four categories.

Probability:	
Low	+
Medium	++
High	+++
Very high	++++

Amount of loss (impact on liquidity):	
Low	-
Moderate	--
Material	---
Severe	----

To distinguish it from market price risks, risk 5.2.1 is now referred to as “adverse developments in the capital markets” instead of “market risk” as before.

The integration of the three subsidiaries of BV Holding AG has been completed and BV Holding AG has merged with LAIQON AG. Accordingly, risk 5.5.3 “Risks from the takeover of BV Holding AG” has been renamed “Risks from the takeover of Bayerische Vermögen GmbH, MFI Asset Management GmbH and m+c Asset Allocation GmbH”.

5.2 Economic and sector risks

5.2.1 Adverse developments in the capital markets

Probability	++
Amount of loss	----

Demand for the Group’s products and services depends to a considerable extent on factors over which LAIQON AG has no influence. These may include, for example, adverse developments and heightened volatility in the capital and financial markets as well as political, social or macroeconomic developments, including ESG (environmental, social and governance) risks, particularly the effects of climate change (risk of stranded assets), the economic sanctions imposed as a result of the war in Ukraine and the increase in interest rates.

Moreover, the duration and intensity of the impact are subject to uncertainty at this time and therefore cannot be quantified conclusively. In addition, the products offered by the LAIQON Group could become less attractive to clients as a result, while clients’ willingness to invest could decline. As a result, income, particularly the planned management and performance fees, could fall significantly short of the budgeted figures.

As well as this, the Company manages legacy investments in the form of KG funds in alternative real assets for national and international institutional investors as well as for retail investors. These investments comprise assets in the areas of shipping, real estate, aircraft, renewable energies, private equity and traded UK endowment policies. Accordingly, the Group's business performance hinges on conditions in the asset markets. Adverse conditions in these markets may cause a decline in income from legacy investments with a correspondingly negative effect on the Group's results of operation. Further details on conditions in the capital market can be found in Chapter 2.1.2.

5.2.2 Competition risk

Probability	++
Amount of loss	--

With the implementation of its corporate strategy, the LAIQON Group has entered new markets, exposing it to new competitive situations. There is a risk that strong competition, especially from very large players in these markets, will make it more difficult for the LAIQON Group to enter into and achieve a share of these markets. This applies in particular to the LLOYD DIGITAL business segment, as many market players are currently working on digital offerings in this market. The asset management industry is highly competitive with moderate barriers to entry. Mounting competition may also lead to the loss of market share that has already been gained. In addition, poor performance or the failure of competing products may have a negative impact on the products offered by LAIQON AG.

5.2.3 Loss of reputation

Probability	+
Amount of loss	---

The Company's success is linked to a considerable extent to the use of the "LAIQON AG" and "LAIC" brands, among other things. Internal as well as external occurrences such as the weak performance of the Company's own products, breaches of statutory regulations by employees or governance bodies, failure to take account of ESG (environmental, social, and governance) risks, negative coverage in the digital and printed media and industry scandals may harm the standing of the brands of LAIQON AG or its subsidiaries, thus leading to a loss of reputation, which could necessitate previously unforeseen market development expenses.

5.3 Operating and strategic risks

5.3.1 Risks relating to SPSW Capital GmbH

Probability	+
Amount of loss	---

LAIQON AG acquired 90 % of the shares in SPSW Capital GmbH at the end of 2019. The acquisition exposes LAIQON AG to the following main risks.

There is a risk that SPSW Capital GmbH's existing permits may be revoked. This would make it impossible to carry out the respective corporate activities and, as a consequence, would significantly jeopardize the implementation of the corporate strategy and achievement of the planned growth.

There is a risk that financial resources will flow out of SPSW Capital GmbH and thus no longer be available to the Group.

This may prevent the planned growth targets at the level of SPSW Capital GmbH from being achieved, resulting in lower Group sales. Business growth could fall short of expectations.

Under the share transfer agreement with SPSW Capital GmbH, LAIQON AG has undertaken to pay a minimum purchase price. There is a risk that SPSW Capital GmbH's enterprise value could fall below the minimum price agreed in the share transfer agreement. In this case, the LAIQON AG would incur expenses that are not covered by an equivalent enterprise value.

5.3.2 Risks in connection with Lange Assets & Consulting GmbH

Probability	+
Amount of loss	---

LAIQON AG acquired 90 % of the shares in Lange Assets & Consulting in the second half of 2019. The acquisition exposes LAIQON AG to the following main risks.

There is a risk that Lange Assets & Consulting GmbH's existing permits may be revoked. This would make it impossible to carry out the respective corporate activities and, as a consequence, would significantly jeopardize the implementation of the corporate strategy and achievement of the planned growth.

There is a risk that financial resources will flow out of Lange Assets & Consulting GmbH and thus no longer be available to the Group.

This may prevent the planned growth targets at the level of Lange Assets & Consulting GmbH from being achieved, resulting in lower net finance income. Business growth could fall short of expectations.

Under the share transfer agreement with Lange Assets & Consulting GmbH, LAIQON AG has undertaken to pay a minimum purchase price. There is a risk that Assets & Consulting GmbH's enterprise value of Lange could fall below the minimum price agreed in the share transfer agreement. In this case, the LAIQON AG would incur expenses that are not covered by an equivalent enterprise value.

5.3.3 Risks from the takeover of Bayerische Vermögen GmbH, MFI Asset Management GmbH and m+c Asset Allocation GmbH.

Probability	++
Amount of loss	---

In the first half of 2022, LAIQON AG acquired BV Bayerische Vermögen GmbH, MFI Asset Management GmbH and m+c Asset Allocation GmbH. The acquisition exposes LAIQON AG to the following main risks.

There is a risk that the existing permits held by BV Bayerische Vermögen GmbH and MFI Asset Management GmbH may be revoked. This would make it impossible to carry out the respective corporate activities and, as a consequence, would significantly jeopardize the implementation of the corporate strategy and achievement of the planned growth.

There is also a risk that financial resources will flow out of BV Holding Bayerische Vermögen GmbH, MFI Asset Management GmbH and m+c Asset Allocation GmbH and thus no longer be available to the Group.

This may prevent the growth targets planned for BV Holding Bayerische Vermögen GmbH, MFI Asset Management GmbH and m+c Asset Allocation GmbH from being achieved, resulting in lower Group sales. Business growth could fall short of expectations.

5.3.4 Risks from the acquisition of interests in growney GmbH

Probability	**++**
Amount of loss	**--**

LAIQON AG acquired shares in growney GmbH in the second half of 2022 and now holds 73.6 % of its capital. The acquisition exposes LAIQON AG to the following main risks.

There is a risk that growney GmbH's existing permit may be revoked. This would make it impossible to carry out the respective corporate activities and, as a consequence, would significantly jeopardize the implementation of the corporate strategy and achievement of the planned growth.

There is a risk that financial resources will flow out of growney GmbH and thus no longer be available to the Group.

This may prevent the growth targets planned for growney GmbH from being achieved, resulting in lower Group sales. Business growth could fall short of expectations.

5.3.5 Risks in connection with the LAIC companies

Probability	**+**
Amount of loss	**---**

The LAIC companies give rise to the following main risks at the level of LAIQON AG.

There is a risk that the license held by LAIC Vermögensverwaltung GmbH or the licenses granted for LAIC Capital GmbH may be restricted or revoked. This would make it impossible to carry out the respective corporate activities and, as a consequence, would significantly jeopardize the implementation of the corporate strategy and achievement of the planned growth.

There is also a risk that financial resources could flow out the LAIC companies and thus no longer be available to the Group.

This may prevent the planned growth targets at the level of LAIC companies from being achieved, resulting in lower Group sales.

5.3.6 Product risk

Probability	**+++**
Amount of loss	**----**

The market success of the products offered by the LAIQON Group materially hinges on the following factors.

The performance of the funds offered by the LAIQON Group materially depends on the quality of the fund management. When making investment decisions, investors usually focus on the performance of the individual funds as a key criterion. Good performance is also the result of correct investment decisions by the fund management. There is a risk that the fund management may make investment decisions that prove to be incorrect in retrospect and that the expected fund performance and, thus, the defined targets may not be achieved.

In addition, there is a risk that the fund management may misinterpret the information contained in research reports, statistics, ratings and other market information when considering the investment decision. This could also have a negative impact on the performance of the managed funds.

Negative fund performance would render sales activities considerably more difficult, preventing the planned sales targets from being achieved in full, with the result that the earnings generated would fall significantly short of expectations.

Among other things, LAIQON AG's earnings are tied to the performance of the products and solutions offered and the assets under management. If the value of the funds were to decline or if no or only minor increases in the value of the assets under management were to be achieved, annual sales would decline accordingly, exerting a negative impact on the Company's results of operations. In addition, the value of the assets under management depends on various factors outside the Company's control, including macroeconomic trends that may affect global markets generally and impact the value of the assets under management. Increasingly, sustainability or ESG (environmental, social and governance factors) risks, particularly the impact of climate change (risk of stranded assets), are also influencing the valuation of assets on the capital market. Furthermore, a sharp reduction in trading liquidity in times of crisis, particularly in the bond market, could significantly limit the scope for action by fund management (e.g. the ability to redeem unit shares).

LAIQON AG faces strong competition in the asset management industry, which is characterized by only moderate barriers to entry. Retail customers have numerous investment options that are growing as online offerings become more available.

The failure or negative performance of competitors' products may cause a loss of client confidence and, consequently, also a loss of confidence in the Company's own products and solutions.

The amount of the performance fees is difficult to predict and volatility, particularly in relation to market conditions outside LAIQON AG's control, has a direct impact on the Company's operating earnings. Moreover, the trailing effects of the Covid-19 pandemic are subject to uncertainty and therefore cannot be quantified conclusively.

5.3.7 Sales risks

Probability	**+++**
Amount of loss	**----**

Sales success is significantly influenced by the factors listed below.

LAIQON AG relies on third-party sales partners and sales platforms to generate demand for its products and services and thus to maintain and expand its portfolio of assets under management. In implementing its Strategy 2023/25 2.0, the Company is also dependent on its ability to tap into new distribution channels such as savings banks, private banks, insurance companies, broker pools, asset managers and family offices. There is a risk that the development of new sales channels may fall short of plans, thus delaying the implementation of Strategy 2023/25 2.0.

In addition, there is a risk that sales partners may be lost, as negative market developments, more stringent regulatory requirements for sales partners or disruptions in the quality of service at LAIQON AG could prompt sales partners to cease their activities entirely or to refrain from commencing or continuing their partnership with LAIQON AG. This may have a significant impact on the sales activities themselves and the planned sales targets.

There is also a risk that the legal requirements, particularly regulatory requirements, applicable to sales activities will continue to increase. This may impair the performance of sales activities or render them impossible. In this case, the planned sales targets might not be achieved in full. Moreover, heightened legal requirements may lead to unplanned expenses, for example due to the need to obtain further permits or to provide mandatory training for sales employees.

Increasingly stringent legal requirements regarding the use/processing of personal data may prevent customer data files from being used on an unrestricted basis. This may make it difficult to reach existing and new customers and may act as a sales barrier.

The contact restrictions mandated by the authorities in response to the Covid 19 pandemic placed restrictions on sales activities, particularly with regard to client meetings, despite modern methods of virtual communications. This has made it more difficult to expand existing client relationships and to acquire new ones, particularly in recent years. This development also had an impact on the achievement of the planned sales targets.

5.3.8 Risk of loss of management and other income in legacy business in KG funds

Probability	**+++**
Amount of loss	**--**

The Group's results of operations, net assets and financial condition also materially depend on the economic performance of the investments managed in the legacy business in KG funds managed by LAIQON AG.

Weak spells in the relevant asset markets, e.g. the shipping and real estate markets, may adversely affect the economic situation of the investments arranged and managed by the Group, culminating in the insolvency of the KG funds.

Moreover, the duration and intensity of the impact of the energy crisis, the war in Ukraine and rising interest rates and inflation cannot be quantified conclusively at this stage. Significant effects on the relevant asset markets cannot be ruled out and may lead to a material deterioration of the economic situation of the fund entities.

There is a risk of the managed investments falling short of forecasts with the result that income is lost in full or is less than budgeted. In addition, budgeted income from investments and brokerage services may not be realized to the planned extent, resulting in a budget shortfall.

Volatile markets or the loss of contractual partners for the investments, such as charterers or lessees, who in turn face financial difficulties, are a significant factor.

As well as this, the insolvency of investments would lead to a loss of management and trusteeship fee income. There is a risk of the precautionary measures taken being insufficient and of part or all of the budget income being lost. On the other hand, this would not have any material effects on the value of the financial assets recognized in the balance sheet as the Group companies hold only small shares in the entities concerned. However, the cumulative occurrence of individual risks of this kind could have a material effect on the Company's balance sheet.

5.3.9 Prospectus liability risk and risks under co-liability for misselling

Probability	**++**
Amount of loss	**--**

In order to attract equity in the form of limited-partner contributions, LAIQON AG has produced selling prospectuses for which it is liable towards individual subscribers in its capacity as the publisher in the event of a loss being sustained as a result of any errors or omissions in the prospectus. The selling prospectuses were regularly produced in accordance with the "Principles for the Proper Assessment of Prospectuses for Investments Offered Publicly" (IDW S 4), a standard issued by Institut der Wirtschaftsprüfer in Deutschland e.V., and reviewed by a public auditor in accordance with this standard. In the case of all audited prospectuses, the auditor has generally confirmed that the information provided is complete, correct and clear and has also confirmed that the assessments in the prospectuses are plausible, the conclusions are logical and also that the risks and rewards associated with the investment have been described in detail in accordance with IDW S4; however, in individual cases, the auditor may have made comments which do not restrict the validity of the audit opinion. In addition, the Company regularly had the tax-related statements contained in the prospectus reviewed by a tax expert.

From June 21, 2013, selling prospectuses had to be approved by the German Federal Financial Supervisory Authority (BaFin). The approval procedure comprised not only a check for omissions, but also a review of the contents for coherence and comprehensibility. However, the assessment of the prospectus by an auditor as well as other actions taken do not provide any absolute guarantee of the absence of any errors or omissions in the contents of the prospectus or of the economic benefits or tax ramifications of the investment.

As of December 31, 2022, a total of 163 (previous year: 202) prospectus liability disputes for damages involving nominal capital of roughly EUR 6.86 million (previous year: roughly EUR 10.59 million) and US-$ 60 thousand (previous year: roughly US-$ 0.37 million), in which LAIQON AG or 53.10.Real Assets Treuhand GmbH are parties, were pending. In addition, 20 (previous year: 54) court proceedings initiated by a bank against LAIQON AG were pending as of December 31, 2022. These concern subscriptions worth a nominal amount of EUR 10 thousand (previous year: roughly EUR 0.01 million) plus a nominal amount of US-$ 745 thousand (previous year: roughly US-$ 2.07 million).

An outcome in which damages may be awarded against LAIQON AG or its subsidiaries under their liability for the prospectus cannot be ruled out in this or future litigation on account of errors or omissions in the contents of past or future prospectuses. LAIQON AG has appropriate insurance cover for these cases. At the present time, LAIQON AG considers it more likely than not that it will prevail in court with its arguments and succeed in defending itself against the actions.

LAIQON AG has published offering documents (including securities prospectus in 2019; bond conditions, key information document for convertible bonds) in connection with its corporate actions. There is a risk that, in the event of any errors in these documents, LAIQON AG may be held liable. The same applies to the offering documents issued by subsidiaries of LAIQON AG.

There is a risk of LAIQON AG being held liable for the actions of third parties acting on its behalf and for its account. However, external partners are monitored closely to avoid any liability-relevant activity and to reduce LAIQON AG's potential liability.

5.3.10 Risks in connection with the duties of 53.10. Real Assets Treuhand GmbH

Probability	**+**
Amount of loss	**--**

As part of its management activities, 53.10. Real Assets Treuhand GmbH, a subsidiary of LAIQON AG, is responsible for handling all the rights and duties of the subscribers with the greatest possible care in accordance with the trusteeship agreement. For this reason, employees who handle trusteeship business are carefully selected in advance. In addition, it ensures the greatest possible reliability by means of employee training and regular quality checks.

53.10. Real Assets Treuhand GmbH has in some cases been entered in the commercial register as the limited partner in trust for various subscribers with the corresponding liable amount attributable to such subscribers (trustors). In the event that liquidity surpluses not backed by profits are distributed, there is a risk that 53.10. Real Assets Treuhand GmbH could be held liable in accordance with Sections 171, 172 IV of the German Commercial Code.

If a fund becomes insolvent, the limited partners face the risk of having to repay the dividends received in the past which are not covered by the entity's profits. Where 53.10.Real Assets Treuhand GmbH acts as a trustee for the investors, LAIQON AG is also affected, as considerable liquidity outflows may arise at the level of 53.10. Real Assets Treuhand GmbH. The trusteeship entity would have to assert its recovery claims separately against each individual subscriber.

Under the terms of the trusteeship contract, 53.10. Real Assets Treuhand GmbH is in turn entitled to recover this amount from the subscriber in question, which is why a potentially uncovered outflow of resources at 53.10. Real Assets Treuhand GmbH is considered to be relatively unlikely. However, the trusteeship entity would have to assert its recovery claims separately against each individual subscriber.

In addition, there is a risk arising from a breach of the reporting duties of the originators of the KG funds resulting in potential claims being asserted by investors due to inadequate disclosures in the formalities of the confirmation letters. The risk is considered to be low at this time. The probability is considered to be low.

5.3.11 Legal risks

Probability	**++**
Amount of loss	**--**

In the case of judgments issued by courts in other jurisdictions, it is not possible to exclude that the relevant matters may be interpreted differently or less favorably than would be the case if the matter were heard before a German court. However, as the German courts would feel inclined to accept the ruling of such foreign court, it would not be possible to have it changed. Where LAIQON AG or its subsidiaries operate outside Germany, a risk may arise from a failure to take full account of the legal requirements of the applicable foreign jurisdiction. Moreover, it may become more difficult for the Company to assert its own rights and to defend itself against third-party claims or this may only be possible at considerable added expense.

Claims for damages may arise from errors during contract negotiations and in the event of any breaches of contract. Risks may arise from the contracts entered into, e.g. in connection with partnerships with banks, sales partners, consultants and other business partners. Breaches of contract may also arise from non-compliance with contractual requirements or disregard of formal requirements and deadlines. These may have a significant adverse effect on the Company's business and trigger a financial obligation on the part of LAIQON AG.

5.3.12 Regulatory and compliance risks

Probability	**++**
Amount of loss	**---**

The LAIQON Group is subject to a variety of regulatory and supervisory regimes, compliance with which is costly, time-consuming and complex. Failure to comply with these regulations may lead to the imposition of fines and/or a temporary or permanent ban on certain activities. The LAIQON Group is increasingly subject to regulatory requirements particularly via the Group companies LAIC Vermögensverwaltung GmbH, SPSW Capital GmbH, Lange Assets & Consulting GmbH, LAIC AIF KVG GmbH, BV Bayerische Vermögen GmbH, MFI Asset Management GmbH and growney GmbH, which require operating licences.

In view of the extent of the regulatory requirements and ongoing additions and revisions to these, there is also a risk that LAIQON AG may not be fully aware of all requirements. This may result in violations of regulations and orders issued by national supervisory authorities, possibly leading to liability on the part of LAIQON AG (e.g. in the form of fines).

In some cases, statutory provisions provide for considerable sanctions, e.g. in the form of drastic fines, in the event of a breach. Beyond the regulatory requirements, the Company may inadvertently breach statutory provisions (e.g. money laundering, copyright, license, data protection legislation) or rules, make errors as a result of a misinterpretation (e.g. in the case of fiscal requirements) or fail to meet prescribed deadlines.

Regulatory stipulations and approval requirements may result in heightened expense for LAIQON AG or its subsidiaries.

5.3.13 Tax risks

Probability	**++**
Amount of loss	**--**

There is a risk of erroneous judgments or advice arising in tax matters and of tax deadlines being missed. This may have ramifications that are detrimental to LAIQON AG or, in the event of any failure to observe deadlines, result in the imposition of fines or surcharges. It is not possible to exclude the risk that reviews of contracts in the light of taxation requirements have not been performed or are lacking, something which may also have an adverse effect on LAIQON AG's tax situation.

Moreover, LAIQON AG and a large number of its associates are exposed to the risk of changes in tax assessment, for example as a result of changes in exceptional operating results or also due to tax audits at the level of the individual associates. This may give rise to tax backpayments on the part of LAIQON AG.

5.4 Organization and personnel management risks

Probability	**+++**
Amount of loss	**---**

The Company's success hinges materially on the skills and expertise of the members of the Management Board and Supervisory Board, as well as key technical and managerial staff, who hold many years of experience in the industry that enables them to make a decisive contribution to the growth and continued development of the Company's business. If one or more of the members of the Management Board or Supervisory Board are no longer available, this could have a significantly adverse effect on the Company's growth and continued development.

The same applies to senior management and qualified executives holding key positions. To safeguard the economic success of LAIQON AG, it is therefore vital for adequate numbers of senior executives and specialists to continue working for the Company so as to reduce any adverse effects on the Group members and their continued business performance. Above-average personnel turnover, in particular on the part of key executives and specialist staff, could prevent individual positions from being filled properly, thus resulting in staff shortfalls. The same applies to the filling of newly created positions. Similarly, unsuitable appointments or shortfalls may occur as a result of incorrect personnel decisions or shortfalls. This may cause delays in the performance of activities and favor the incidence of incorrect decisions or management errors.

5.5 IT risks

Probability	++
Amount of loss	---

The LAIQON Group relies heavily on its IT systems, including the provision of information to customers and employees and the management of financial records. Permanent availability of IT systems is therefore critical for LAIQON AG to ensure due and proper execution of its business. At the same time, the Company is required to guarantee the safety of sensitive data, particularly data relating to customers, at all times.

In particular, the threat of cyber attacks remains consistently high. Among other things, this is highlighted by recent reports issued by the German Federal Office for Information Security (BSI), which classify the threat situation as ranging from difficult to critical (see, for example, the BSI report of October 2022). The number of new malware variants is constantly increasing; in the period covered by its last report, BSI counted 117 million new malware variants. Ransomware and DDoS attacks are on the rise, increasingly threatening system availability and information security.

The Company has taken numerous precautions to minimize the risk of system failures, including redundant server virtualization and the implementation of modern back-up systems complete with external data strongholds and business continuity plans for the swiftest possible system restoration. Among other things, data and IT systems are protected by means of firewalls, anti-virus and encryption programs as well as authorization and authentication systems, which are updated in regular intervals or on an ad-hoc basis. The acquisition of new subsidiaries has led to increased system fragmentation, which will be reduced again by the gradual migration to the Group IT infrastructure and the implementation of Group-wide standards.

5.6 Financial risks

5.6.1 Liquidity risk

Probability	++
Amount of loss	---

Given the nature of the environment in which the Group operates, it is necessary for it to preserve its financial flexibility by ensuring the availability of sufficient liquidity reserves. Furthermore, equity or debt capital must be raised to ensure that the Group's business objectives can be achieved. The maximum risk involves insolvency on account of payment defaults. In the event of any decline in liquidity and a resultant increase in funding requirements, there is a risk of the Group not being able to find suitable sources of finance or equity. The Group may also be unable to cover its financial requirements or may be forced to accept finance on economically less favorable terms. In addition, financing expenses could increase due to a rise in interest rates.

The annuity loan taken out in the year under review includes the obligation to comply with certain covenants. Failure to observe the covenants entitles the bank to terminate the loan agreement in whole or in part and to call in the loan immediately.

Short-term liquidity management is based on a rolling liquidity preview, which covers a forward range of up to one year, supplemented by medium-term forecasts covering the following five years. This is an integrated planning model comprising forecasts for the income statement and balance sheet. Both short-term liquidity planning and the medium-term model are based on the Group's current business forecasts and harmonized with each other.

As of December 31, 2022, the Group's financial liabilities totaled EUR 47.5 million (previous year: EUR 55.0 million). Further details, particularly with respect to the maturity structure can be found in Note 6.3.2.3 to the consolidated financial statements.

The Group's liquidity is considered to be stable. Even so, unexpected events with an impact on liquidity may constitute a risk. Such events could be the loss of planned income or additional unplanned expenses. If several such events were to occur simultaneously, this could have negative effects on the Group's performance.

5.6.2 Valuation and credit risk

Probability	+++
Amount of loss	--

As in earlier years, market conditions have resulted in a heightened risk of impairment losses on the shares in associates held by the Group. In addition to the shares which LAIQON AG holds in its own investment funds, this also affects its investments in affiliated companies and associates, primarily in legacy business in KG funds. LAIQON AG addresses this risk by means of ongoing reviews of the fair values of its investments and receivables on the basis of an analysis of the relevant financial indicators. By means of regular impairment tests, the Company made extensive adjustments in previous years to the value of the shares held in some of these associates, thus fundamentally reducing the risk of any further impairment losses. Nonetheless, there is a risk that the value of these shares and receivables may have to be additionally impaired. In individual cases, additional impairments cannot be ruled out in the event of muted macroeconomic conditions and weak asset markets.

Moreover, conditions in the capital market have a considerable impact in the form of threatened defaults, thus impairing the Group's risk position. LAIQON AG addressed this heightened risk by recognizing extensive impairments in prior years. In the year under review, lower impairment losses were recognized on the receivables held in legacy business in KG funds, thus reflecting the adjustments to the recoverable value of these receivables. In the other business segments, no impairment losses arose due to the recoverability of the receivables. In addition to ongoing impairment testing of receivables, the Company is responding to this market risk by implementing steady and sustained improvements to its receivables management in an effort to ensure early collection of amounts owed and to reduce the volume of receivables due for immediate settlement.

Apart from this, legacy business is generally declining or has partially been already liquidated or is currently under liquidation.

Despite the impairments recognized or reversed in the year under review, further losses and corresponding liquidity shortfalls due to unrecoverable receivables cannot be ruled out. Receivables held by 53.10. Real Assets Treuhand GmbH against trustors arising from payouts may be affected by this. This risk has been addressed by the adoption and implementation of a plan of action that defines various approaches, e.g. a settlement with the creditors or the assignment of the recovery rights held by the trusteeship entity to the creditors. Reference should be made to the notes to the consolidated financial statements (Note 6.3.1.3) for further analyses.

5.6.3 Risks from contingent liabilities

Probability	**+**
Amount of loss	**---**

It cannot be excluded that LAIQON AG may also be held liable for other risks beyond those in connection with the duties of 53.10. Real Assets Treuhand GmbH (see “Risks in connection with the duties of 53.10. Real Assets Treuhand GmbH”, Section 5.3.10), resulting in recourse being taken to it to recover the amounts recognized as contingent liabilities. The contingent liabilities recognized by the LAIQON Group as of December 31, 2022 came to a total of EUR 20 million (previous year: EUR 25 million). Net of the settlement claims arising from joint and several obligations, which amounted to EUR 20 million in 2022 (previous year: EUR 25 million), remaining net liability stands at EUR 0 million (previous year: EUR 0 million). Further details on and the breakdown of contingent liabilities can be found in Note 6.9.2 to the consolidated financial statements.

5.6.4 Interest and currency risk

Probability	**++**
Amount of loss	**--**

Interest risk is the risk of fluctuation in the fair value of or future payment flows from a financial instrument as a result of changes in market interest rates. This may affect the Group’s future interest income and expense and also influence the fair value of its financial assets. There were no material interest risks as of the balance sheet date. Further details can be found in Note 6.3.1.2 to the consolidated financial statements. The Group is generally exposed to foreign currency risks in US dollars, which primarily result from the end-of-year translation of the corresponding monetary items. However, the share of USD business is insignificant and continuing to decline. Monetary items comprise cash and cash equivalents, receivables and liabilities. Foreign-currency risks are addressed by translating incoming payments denominated in a foreign currency into euros with minimum delay. Accordingly, there were no significant risks in this respect as of the balance sheet date.

5.7 Overall assessment of risk situation

As of the date on which the consolidated financial statements were prepared, no individual risks were known that might threaten the Group’s going-concern status. The Group’s management believes that the identified risks with a serious impact have a high, medium or low probability of occurrence. However, the cumulative occurrence of individual risks could pose a threat to the Company’s going-concern status.

The LAIQON Group, like the entire financial services industry, is affected by the impact of the energy crisis, the war in Ukraine, rising interest rates and inflation and the resultant economic consequences. The financial markets were very volatile in 2022. Accordingly, adverse effects on the LAIQON Group’s business can still not be ruled out and, should they occur, would probably necessitate adjustments to the forecast. The duration and intensity of the impact are subject to uncertainty at this time and therefore cannot be quantified.

5.8 Main characteristics of the accounting-related internal control and risk management system

5.8.1 Elements of the accounting-related internal control and risk management system

The LAIQON Group’s accounting-related internal control and risk management system encompasses all principles, processes and precautions for ensuring the efficacy, efficiency and propriety of the accounting system and for ensuring compliance with the applicable statutory provisions.

The internal management system and the internal monitoring system form the heart of the internal control system. The central finance, accounting, “IFRS” and controlling and tax units are responsible for coordinating the internal control system. The internal monitoring system entails measures integrated in processes as well as non-process-related measures. The measures integrated in processes include individual checks such as the application of the “cross-check” principle as well as IT-based checks. In addition, monitoring processes are integrated by means of specific Group functions such as Group Tax and Group Legal. Non-process-related control functions are primarily performed by the Supervisory Board and other auditing bodies.

The accounting-related risk management system is integrated within the LAIQON Group's risk management system described on page 51. It is designed to identify significant risks to the Company's accounting process including the preparation of the consolidated financial statements and external reporting.

The key element comprises the early detection, management and monitoring of risks capable of impacting the Group's net assets, financial condition and results of operations.

5.8.2 Structural organization
The LAIQON Group has a central financial reporting system.

Group-wide policies and instructions have been adopted to ensure swift, correct, complete and efficient entries of all transactions. The "IFRS" unit is also integrated within central financial reporting and is responsible for reconciling the financial statements of the consolidated companies prepared in accordance with German or local GAAP with the measurement and recognition rules applicable under the International Financial Reporting Standards (IFRS) as well as consolidating the individual entities as a basis for preparing the consolidated financial statements.

Am industry-standard IT application is used to record the individual business transactions in accordance with German commercial law. LAIQON AG's IFRS consolidated financial statements are prepared using financial performance management software.

5.8.3 Process organization
The consolidated financial statements are prepared and external reporting organized in the form of a structured process based on a schedule implemented by the relevant internal departments and external partners. Agreement is also reached on the deadline for the delivery of accounts-related data generated outside the accounting system, e.g. information obtained from fund management for measuring the value of investments of the financial statements of associates. Data from outside the department or Company is collected on the basis of predefined individual requirement profiles. This process also entails flowback checks to ensure timely receipt of all the information requested. The consolidation process takes the form of full consolidation at the level of LAIQON AG.

The preparation process entails a large number of checks to ensure that all errors and omissions are avoided in the consolidated and single-entity financial statements. These are preventive, downstream and proactive controls. The preventive checks particularly comprise approval and release processes, e.g. in connection with the recording of incoming invoices and payment operations. Certain transactions which may affect the consolidated financial statements on account of their scope or complexity are also approved in a predefined process. In addition, the central finance and legal units provide direct assistance as internal advisors in connection with major contracts, e.g. leases or service level agreements. Consequently, the finance department receives direct information ensuring that such transactions are recognized correctly.

The investigative checks are performed in the various phases of the accounting process. This particularly entails the "double-sign-off" principle. All single-entity financial statements are reviewed by the head of finance before they are cleared for further processing in connection with the IFRS consolidated financial statements. In connection with the reconciliation of these financial statements with IFRS and consolidation, additional plausibility checks and examinations are performed.

6 Material events occurring after the reporting date

Adoption of new LAIQON AG name
With the entry in the commercial register taking effect on January 2, 2023, the Company 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 successfully placed
On February 20, 2023, LAIQON AG issued convertible bond 2023/27 with a nominal amount of EUR 5.0 million and a term of four years.

It is subject to a coupon of 6.50 % per annum, 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).

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. The issue met with a very strong response from both existing shareholders and new investors. Overall, the issue was oversubscribed by an amount of EUR 3.15 million.

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

Joint venture established by BV Bayerische Vermögen GmbH 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 my 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.

Pending the successful completion of the procedure for obtaining a permit in accordance with Section 15 of the German Securities Institution Act from BaFin, the new joint venture plans to commence operations in the summer of 2023.

Sale of shares in V:KI GmbH
In February 2023, LAIC Capital GmbH sold a total of 30 % of the shares in V:KI GmbH, which had been incorporated in 2022 as part of sales partnerships.

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. For this purpose, the existing office in Munich with an original lease running until 2028 was terminated prematurely effective March 31, 2023. As of the reporting date, right-of-use assets of EUR 901 thousand and matching lease liabilities of EUR 1,040 thousand were recognized.

7 Outlook report

7.1 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. It is currently not possible to estimate the impact on the global economy of the war in Ukraine caused by Russia and the imposition of economic sanctions. There is a risk of significant economic setbacks for many companies around the world.

7.1.1 Outlook for the global economy

The post-pandemic recovery of the global economy has been significantly slowed by the Ukraine war and its economic fallout. In view of the significant rise in energy and food prices, the resulting losses in real income and the noticeable tightening of monetary policy in response to increased inflation, the macroeconomic environment was very subdued in almost all industrialized countries at the beginning of the year. After slowing by half to around 3 % last year, global growth looks set to continuing dropping to an annual average of 2.7 % in 2023 according to the International Monetary Fund. An even greater decline is projected for growth in global trade, which is expected to slow from 4.3 % in 2022 to 2.5 % this year. Following a muted start to the year, the global economy is expected to recover in the course of the year.

The US economy is also set to soften noticeably as a result of the weakening impetus of the Covid-19 stabilization measures and the advanced phase of monetary tightening by the Fed. After a year of severe pandemic-related restrictions and subdued growth, China could see catch-up effects, resulting in somewhat stronger growth. While the easing of the strict zero-Covid policy will lead to a brighter outlook, the high numbers of Covid-19 infections could initially place a damper on the economic recovery. The situation on the Chinese real estate market also poses risks in view of the high surplus capacities and misinvestment. In Europe, as in other regions, the heavy increases in the prices of energy and food have taken a heavy toll on purchasing power. Together with the measures taken by the central banks to tighten money supply, this is likely to create a drag on capital spending, consumption and, thus, growth.

The relatively muted global economic and trade growth are likely to weigh particularly heavily on the German economy with its deep integration in global value chains. The expected downturn in exports, combined with weaker domestic demand, also looks set to leave traces on consumer spending. Moreover, rising energy costs, the shortage of skilled workers and higher borrowing costs are placing a drag on capital spending. Even so, there is currently no sign of the recession that many observers had feared for a long time was inevitable. In its annual projection for 2023, the German federal government expects price-adjusted GDP to grow by 0.2 %. As the high inflation dynamics subside, the impetus coming from the fiscal stabilization measures unleashes its effect and the expected moderate global economic recovery emerges in the course of the year, the economy should regain momentum as the year progresses. However, the German economy still faces major uncertainties: Russia's war of aggression against Ukraine and the economic fallout, the muted global economy, persistently high energy and consumer prices and the need to secure future gas supplies.

7.1.2 Conditions in the capital market

The Ukraine war, inflation almost everywhere in the world, higher interest rates and the mounting risks of a recession: rarely has the global economy had to digest as many shocks as in 2022. Even so, many market participants including LAIQON AG are still optimistic about the performance of the capital markets this year. Europe managed to fill its gas storage tanks almost completely at the beginning of the heating season despite the closure of the main Russian pipelines. This put an end to the risk of gas-rationing, while gas and electricity prices have since eased. Consumer confidence in Germany and the rest of Europe has already recovered. Many companies are now also looking to the future with less concern. This points to the emergence of a new upswing following the winter months. In addition, inflation, at least in the United States, appears to have peaked, reducing the risk that the Fed will continue its rate-hiking policy. In Europe, there are also signs that inflation will subside.

Investors in the financial markets are focusing on the trends of the future. The financial markets have evidently already priced in a downturn in the United States and a winter recession in Europe. Following the slump in the markets in the first half of 2022, which saw equity and bond prices falter, market participants including LAIQON AG see good overall prospects of a recovery in the equity markets in 2023. Even though upside is likely to be limited next year, European and Asian equities in particular are expected to remain strong in 2023, as significantly more adverse conditions in both regions compared with the United States have already been factored in. That said, underlying conditions remain difficult. Valuation models must apply higher discount rates to future earnings in view of the increased interest rates. Moreover, the need to siphon off the excess liquidity that the central bank have pumped into the markets over the past few crisis-ridden years may exert strain on equity prices. Moreover, the still high wage pressure in the United States and the increase in labor costs in the Eurozone are leaving traces on the profits of many companies, which are already facing lower sales. Ultimately, however, the prospect of the US Federal Reserve easing its money-tightenting policy from autumn 2023 together with a post-winter recovery in the European economy should generally spur sentiment. In the fixed-income markets, corporate bonds have gained renewed appeal at higher yield levels in both the investment grade and the high yield segment. This particularly applies to the financial sector and investment-grade issuers' subordinated instruments.

7.1.3 Outlook for LLOYD FONDS REAL ASSETS

The outlook for the German real estate market in 2023 is muted. Market participants expect investments to drop below the 15-year average in 2023, corresponding to a further decline of around EUR 66 billion compared with 2022. The first two quarters of 2023 in particular are expected to continue seeing restraint and more muted market momentum. Nevertheless, many market participants still consider Germany to be an attractive location for real estate investments, with the focus remaining on residential and office assets.

Global trade in goods was subdued in February 2023, following strong growth in earlier months. The same thing applies to foreign trade in the major economies. The outlook for global trade remains generally upbeat, with no signs of any sustained slowdown at present, as economic activity in the major advanced economies is robust and the Chinese economy is expected to gain momentum following the easing of the Covid-19 restrictions. Market participants are upbeat over the outlook for the oil and tanker markets in 2023. Both OPEC and the International Energy Agency assume that a Chinese economic upswing will spur demand for crude oil this year.

7.2 Outlook for the Company

LAIQON AG has taken its existing Strategy 2023/25 to the next level by presenting Strategy 2023/25 2.0 at the annual general meeting on July 21, 2022. The new strategy builds on the acquisitions of the Bayerische Vermögen Group and growney GmbH in 2022 and their successful integration within the LAIQON Group. The new enhanced Strategy 2023/25 2.0 aims to ensure organic and scalable growth in the future through the platform strategy that has been set up.

The adoption of the new name LAIQON AG and, thus, the Company's aspiration to position itself as a premium-quality provider of investment funds and asset management are sending a signal to market participants that its realignment has now been completed. At the same time, the change of name is intended to significantly enhance brand awareness.

LAIQON AG is active in four major growth markets, namely asset management, wealth management, digital wealth and advisory. This makes it a full-service provider, offering private and institutional clients a very broad portfolio of products and solutions.

The core component of the platform strategy is the Digital Asset Platform 4.0, which creates the basis for offering user-centric solutions for all client groups. All activities are independent, individual, transparent and client-centric. In this way, it should be possible to specifically address the investment needs of all target groups, from private individuals to institutional investors. The product and solution strategy is therefore determined by the fulfillment of client needs.

LAIQON AG currently offers its clients around 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.

Sustainable investing as a symbiosis of client and sustainability goals is a key driver for LAIQON AG. One priority is therefore SDG/impact investing. 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.

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. In particular, the platform's multi-client capability, i. e. the ability to connect and scale new partners at any time, is to be extended. The long-term goal is to strengthen LAIQON's position as an asset management factory, i. e. a premium-quality provider that addresses both private individuals and institutional investors with a full range of sustainable products and solutions.

The purpose of Strategy 2023/25 2.0 is to increase assets under management to EUR 8 - 10 billion by 2025. This growth is 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 in 2025. This takes account of the average performance fees generated in the past by the LAIQON Group's product range.

7.3 Opportunities

7.3.1 Overall assessment

LAIQON AG 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:

7.3.2 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.

7.3.3 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.

7.3.4 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 benefiting from 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.

7.3.5 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. LAIQON AG has already demonstrated its innovativeness several times, for example by setting up the hybrid investment platform and by providing LAIC growth finance via a tokenised investment. This innovativeness can be a decisive competitive advantage.

7.3.6 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.

7.3.7 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.

7.3.8 Transparency

Transparency is an important criterion in investment decisions for both retail and institutional investors. LAIQON AG 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, March 29, 2023

The Management Board of LAIQON AG

Achim Plate Stefan Mayerhofer

Consolidated financial statements

1 Consolidated income statement

for the period from January 1 to December 31, 2022

EUR thous.	Note	2022	2021
Sales	6.6.1	21,575	26,122
Cost of sales	6.6.2	-3,665	-2,702
Staff costs	6.6.3	-17,113	-11,341
Depreciation/amortization and impairment losses	6.6.4	-4,711	-3,938
Other operating income/expenses	6.6.5	-11,024	-7,796
Share of profit of associates	6.6.6	281	327
Net profit from operating activities		**-14,657**	**672**
Finance income	6.6.7	2,263	15,582
Finance expense	6.6.7	-3,893	-9,835
Earnings before taxes		**-16,288**	**6,419**
Income taxes	6.6.8	5,747	213
Consolidated net profit before non-controlling interests		**-10,541**	**6,632**
of which attributable to non-controlling interests		**-376**	**1,481**
of which attributable to LAIQON shareholders		**-10,165**	**5,151**
Earnings per share in the reporting period (EUR per share)			
Diluted/basic	6.6.9	**-0.67**	**0.39**

The notes on pages 66 - 99 are an integral part of these consolidated financial statements.

2 Consolidated statement of comprehensive income

for the period from January 1 to December 31, 2022

EUR thous.	Note	2022	2021
Consolidated net profit		**-10,541**	**6,632**
Consolidated other comprehensive income before non-controlling interests		**-10,541**	**6,632**
of which attributable to non-controlling interests		**-376**	**1,481**
of which attributable to LAIQON shareholders		**-10,165**	**5,151**

The notes on pages 66 - 99 are an integral part of these consolidated financial statements.

3 Consolidated balance sheet

as of December 31, 2022

EUR thous.	Note	Dec. 31, 2022	Dec. 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	6.7.1	10,436	9,935
Intangible assets	6.7.2	90,293	54,771
Investments in associates accounted for using the equity method	6.7.3	570	6,360
Financial assets at fair value through profit and loss	6.7.4	1,180	2,719
Deferred income tax assets	6.7.5	15,003	10,192
		117,483	**83,977**
Current assets			
Trade receivables and other receivables	6.7.6	9,942	6,177
Receivables from related parties	6.7.7	37	29
Financial assets at fair value through profit and loss	6.7.4	863	9,908
Current income tax assets	6.7.15	1,142	538
Cash and cash equivalents	6.7.8	10,375	16,331
		22,359	**32,984**
Total assets		**139,841**	**116,961**
Equity			
Share capital	6.7.9.1	17,483	13,326
Share premium	6.7.9.2	47,185	17,764
Retained earnings	6.7.9.3	1,948	12,173
Capital and reserves attributable to the Parent Company's equity holders		**66,617**	**43,263**
Minority interests	6.7.9.4	5,471	5,099
Total equity		**72,088**	**48,362**
Liabilities			
Non-current liabilities			
Net assets attributable to other limited partners	6.7.10	4,359	5,151
Trade payables and other liabilities	6.7.11	5,628	9,204
Financial liabilities	6.7.12	16,535	10,630
Liabilities to related parties	6.7.13	997	2,561
Other provisions	6.7.14	310	277
Deferred income tax liabilities	6.7.5	17,052	12,155
		44,881	**39,978**
Current liabilities			
Trade payables and other liabilities	6.7.11	16,029	16,123
Liabilities to related parties	6.7.13	2,551	3,501
Financial liabilities	6.7.12	2,311	7,217
Current income tax liabilities	6.7.15	1,982	1,781
		22,872	**28,622**
Total liabilities		**67,753**	**68,599**
Total equity and liabilities		**139,841**	**116,961**

The notes on pages 66 - 99 are an integral part of these consolidated financial statements.

4 Consolidated cash flow statement

for the period from January 1 to December 31, 2022

EUR thous.	Note	2022	2021
Cash flow from operating activities			
Consolidated net profit/loss before non-controlling interests		-10,541	6,632
Depreciation and amortization of non-current assets	6.6.4	4,691	3,938
Profit from the disposal of non-current assets		20	–
Other non-cash transactions	6.8.1	2,037	-591
Changes to trade receivables and other receivables		-5,276	2,449
Changes to receivables from related parties		-37	-26
Changes to trade payables and other liabilities		2,319	-628
Changes to liabilities to related parties		-895	1,833
Changes to other provisions		-460	42
Interest paid		-526	–
Dividends and profit distributions received		5,903	6,307
Net cash generated from operating activities		**-2,765**	**19,956**
Cash flow from investing activities			
Payments made for purchases of:			
Property, plant and equipment and intangible assets	6.7.1-2	-1,211	-1,201
Financial assets at fair value through profit or loss and investments in associates accounted for using the equity method		-49	517
Proceeds from the disposal of:			
Property, plant and equipment and intangible assets	6.7.1-2	10	140
Financial assets		–	-163
Financial assets at fair value through profit or loss and investments in associates accounted for using the equity method		-2,173	-410
Cash acquired from additions to the consolidated group	6.2.2	8,562	–
Payments made for additions to the consolidated group	6.2.2	-13,611	–
Net cash used in investing activities		**-8,472**	**-1,117**
Cash flow from financing activities			
Payments received from the issue of new shares		12,040	–
Changes in the net asset value attributable to other limited partners		–	5,000
Proceeds from financial liabilities		6,500	
Repayment of purchase price liabilities		-11,288	-11,106
Repayment of financial liabilities		-1,971	-2,935
Net cash generated from/used in financing activities		**5,281**	**-9,041**
Net increase/decrease in cash and cash equivalents		**-5,956**	**9,798**
Cash and cash equivalents at January 1		16,331	6,533
Cash and cash equivalents at December 31	6.8.2	**10,375**	**16,331**

The notes on pages 66 - 99 are an integral part of these consolidated financial statements.

5 Consolidated statement of changes in equity

for the period from January 1 to December 31, 2022

EUR thous.	Share capital	Share premium	Retained earnings	Non-controlling interests	Total equity
Amount on January 1, 2021	**13,266**	**17,582**	**7,022**	**4,858**	**42,728**
Total other comprehensive income	–	–	5,151	–	5,151
Stock option program	–	248	–	–	248
Convertible bond	60	240	–	–	300
Consolidated net profit attributable to non-controlling interests	–	–	–	1,481	1,481
Compensation payment for non-controlling interests	–	–	–	-1,240	-1,240
Withdrawals from share premium account	–	-243	–	–	-243
Equity issue	–	–	–	–	–
LAIC Intelligence GmbH option	–	-63	–	–	-63
Amount on December 31, 2021	**13,326**	**17,764**	**12,173**	**5,099**	**48,362**
Amount on January 1, 2022	**13,326**	**17,764**	**12,173**	**5,099**	**48,362**
Total other comprehensive income	–	–	-10,165	–	-10,165
Stock option program	–	196	–	–	196
Convertible bond	1,124	5,576	–	–	6,700
Consolidated net profit attributable to non-controlling interests	–	–	–	-376	-376
Compensation payment for non-controlling interests	–	–	–	-1,324	-1,324
Withdrawals from share premium account	–	-5	–	–	-5
Equity issue	3,033	23,542	–	–	26,575
LAIC Intelligence GmbH option	–	-88	–	–	-88
Fund for general banking risks	–	200	–	–	200
Dividends distributed	–	–	-60	–	-60
Additions to the consolidated group	–	–	–	2,073	2,073
Amount on December 31, 2022	**17,483**	**47,185**	**1,948**	**5,471**	**72,088**

The notes on pages 66 - 99 are an integral part of these consolidated financial statements.

6 Notes to the consolidated financial statements

6.1 General information

LAIQON AG (formerly Lloyd Fonds AG, renamed on January 2, 2023) (hereinafter also referred to as the "Parent Company") and its subsidiaries (hereinafter referred to as the "LAIQON Group") are engaged in the development, initiation and marketing of capital investments for private individuals and institutional investors via sales partners. In 2022, LAIQON AG operated as a listed, bank-agnostic financial services provider and active asset manager. LAIQON AG has additionally enhanced the brand positioning for the Group and the three business segments LLOYD FONDS LIQUID ASSETS, LLOYD FONDS REAL ASSETS and LLOYD FONDS GROUP under its strategy 2023/25 2.0. The LLOYD FONDS LIQUID ASSETS business segment includes the LLOYD FONDS, LLOYD ASSETS and LLOYD DIGITAL businesses. The LLOYD FONDS REAL ASSETS business segment includes real estate, shipping and other assets. The LLOYD FONDS GROUP business segment particularly includes general other expenses attributable to the LAIQON Group.

The Parent Company is a joint stock corporation (Aktiengesellschaft) established in accordance with German law with registered offices in Hamburg. Its address is LAIQON AG, An der Alster 42, 20099 Hamburg, Germany. LAIQON AG is registered with the Local Court of Hamburg under the number HRB 75 492 and has been listed in Deutsche Börse's "Scale" segment in Frankfurt since March 2017.

These consolidated financial statements were approved for issue by LAIQON AG's Management Board on March 29, 2023.

6.2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the reporting periods presented, unless otherwise stated.

The consolidated financial statements have been prepared in thousands of euros as this does not result in any loss of information. This may result in rounding differences between the individual parts of the financial statements. To improve the clarity of presentation, individual items of the income statement and balance sheet have been combined. The items are explained in these notes. The income statement has been prepared using the nature-of-expense method.

6.2.1 Basis of preparation

The consolidated financial statements for 2022 have been prepared voluntarily in accordance with international accounting standards. LAIQON AG's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted and published by the International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) on or before December 31, 2022.

In preparing the consolidated financial statements, the going-concern assumption has been applied.

6.2.1.1 New standards and interpretations applied for the first time

New standards and interpretations that must be applied for the first time in 2022:

- Amendments to IFRS 3 "Business Combinations", IAS 16 "Property, Plant and Equipment" and IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" (to be applied from January 1, 2022 for the first time).
- Annual Improvements to IFRS Standards 2018-2020 (to be applied for the first time from January 1, 2022)

The first-time application of the amendments mentioned above did not have any material effects on the consolidated financial statements.

6.2.1.2 Outlook for future standards

This section describes the new IFRS standards and revisions to existing standards and interpretations, which are to be applied in accounting periods commencing on or after January 1, 2023. The LAIQON Group did not early-adopt this new guidance.

- IFRS 17, Insurance Contracts (to be applied for the first time from January 1, 2023)
- IFRS 4, Insurance Contracts (to be applied for the first time from January 1, 2023)
- Amendments to IAS 1 "Presentation of Financial Statements" – Classification of Liabilities as Current or Non-Current (to be applied for the first time from January 1, 2024)
- Disclosure of Accounting Methods (Amendments to IAS 1 and IFRS Practice Statement 2) (to be applied for the first time from January 1, 2023)
- Definition of Estimates (Amendment to IAS 8) (to be applied for the first time from January 1, 2023)
- Deferred Taxes Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12) (to be applied for the first time from January 1, 2023)
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback (to be applied for the first time from January 1, 2023)

The first-time application of the amendments mentioned above will not have any material effects on the consolidated financial statements.

6.2.2 Consolidation

6.2.2.1 Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanied by a shareholding of more than 50 % of the voting rights. Under IFRS 10 "Consolidated Financial Statements" the companies consolidated are determined on the basis of the exercise of control as well as the variable returns. In addition, it must be possible for the variable returns to be influenced by the exercise of control.

Subsidiaries are included in the consolidated financial statements (full consolidation) as of the date on which control is transferred to the Group. They are deconsolidated as of the date on which control is extinguished.

Companies in which LAIQON holds a stake of more than 50 % are not classified as subsidiaries in cases in which the Group does not have any scope for exerting influence on their business and financial policies on account of the specific provisions of their articles of incorporation despite having a voting majority. Accordingly, the criterion of control is not satisfied. Even so, LAIQON exerts a material influence on these companies, meaning that they are accounted for as associates. Not included in the consolidated financial statements are 22 (previous year: 24) subsidiaries which are of immaterial importance in their entirety for the Group's net assets, financial condition and results of operations.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date irrespective of the extent of any minority interest. If the acquisition costs exceed the Group's share in the net assets measured at fair value, this difference is recognized as goodwill. If the acquisition costs are less than the fair value of the net assets of the acquired subsidiary, the difference is recorded directly in profit and loss.

The hidden reserves and charges disclosed when the assets and liabilities are recognized at fair value during initial consolidation are amortized, depreciated or released in subsequent periods in line with the development of the assets and liabilities. Inter-company transactions and balances between group companies are eliminated. Eliminations of inter-company gains and losses were not necessary within the Group due to the absence of any relevant transactions.

6.2.2.2 Companies consolidated

The consolidated financial statements as of December 31, 2022 include the Parent Company as well as the following 25 (previous year: 16) entities.

Company	Share held by Group
LAIQON Financial Service GmbH, Hamburg*	60.0 %
growney GmbH, Berlin	73.6 %
growney Technology & Service GmbH, Berlin	73.6 %
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 %
V:KI 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 %

* Renamed in 2023.

Acquisition of BV Holding AG

BV Holding AG, Munich, was incorporated on May 9, 2018 and entered in the commercial register on June 4, 2018. The object of the company is to provide investment advice and engage in investment brokerage for financial services within the scope of the regulatory exception, enter into distribution agreements with respect to these transactions, establish, acquire and invest in other entities, provide organizational, commercial and regulatory support services for subsidiaries to the extent permitted by law and to engage in project development and the management of proprietary assets.

BV Holding AG was acquired through the payment of a cash component plus the non-cash issue of 570,384 new shares.

570,384 new shares were issued on a non-cash basis in March 2022 at a price of EUR 10.00 per share subject to the exclusion of the shareholders' pre-emptive subscription rights. Only individual shareholders of BV Holding AG were permitted to subscribe to the new shares. LAIQON AG's share capital was thus increased by a further EUR 570,384 through the issue of 570,384 new no-par-value bearer shares at a pro-rata amount of EUR 1.00 per share.

The acquisition of BV Holding AG was completed on April 5, 2022. The company was consolidated for the first time from April 1, 2022. The acquisition of BV Holding AG also included the three fully consolidated subsidiaries BV Bayerische Vermögen GmbH, MFI Asset Management GmbH and m+c Asset Allocation GmbH.

The 570,834 shares resulting from the non-cash equity issue have a fair value of EUR 10.35 based on the Xetra closing price of the LAIQON AG share on April 5, 2022.

The goodwill resulting from the acquisition is attributable in particular to the Bayerische Vermögen Group's market position, which has been created by experienced and highly qualified employees. The client base under long-term management complements the LAIQON Group's portfolio and will benefit from the digitalization skills developed within the Group in the future.

As of the date of acquisition, no impairments were recognized on the trade receivables acquired.

The present value of the future expected payments was used to determine the fair value of the contingent consideration. The maximum amount of EUR 3,094 thousand is distributed over the years from 2022 to 2025 and will be payable in this amount only if the client base managed by the Bayerische Vermögen Group increases significantly over the next few years and makes a relevant contribution to the LAIQON Group through the performance fees collected.

Under a squeeze-out arrangement in accordance with merger law, BV Holding AG transferred its assets including all rights and obligations to LAIQON AG retroactively from January 1, 2022 on October 5, 2022.

Acquisition of BV Holding AG

EUR thous.	
Cash and cash equivalents	4,418
Trade receivables	2,621
Property, plant and equipment (including right-of-use assets)	1,253
Intangible assets	8,079
Others	365
Identified assets:	**16,736**
Trade payables	427
Financial liabilities (including lease liabilities)	1,173
Other current liabilities	2,040
Deferred income tax liabilities	2,664
Identified liabilities:	**6,304**
Identified net assets	**10,431**
Non-controlling interests	-211
Net assets acquired	**10,220**
Composition of purchase price	
Cash remuneration	10,367
Ordinary shares issued	5,903
Contingent consideration	1,010
	17,281
Goodwill	**7,061**

Full consolidation of Lange Assets & Consulting GmbH
Lange Asset & Consulting GmbH, Hamburg, was incorporated on September 28, 2005 and entered in the commercial register on December 27, 2005. Previously, the 90 % investment in Lange Assets & Consulting GmbH was accounted for using the equity method. With effect from June 30 2022, an amendment to the articles of incorporation in connection with the signing of a profit and loss transfer agreement led to a change in the assessment of the control relationship, as a result of which Lange Assets & Consulting GmbH was fully consolidated from June 30, 2022.

As of the date of acquisition, no impairments were recognized on the trade receivables acquired.

Full consolidation of Lange Assets & Consulting GmbH

EUR thous.	
Cash and cash equivalents	1,487
Property, plant and equipment (including right-of-use assets)	195
Intangible assets	1,841
Other receivables and assets	594
Identified assets:	**4,117**
Trade payables	15
Other current liabilities	484
Financial liabilities (including lease liabilities)	157
Deferred income tax liabilities	594
Identified liabilities:	**1,250**
Identified net assets	**2,867**
Non-controlling interests	-287
Net assets acquired	**2,580**
Fair value	**5,622**
Goodwill	**3,042**

Acquisition of growney GmbH

Following cash equity issues on December 15, 2021 and March 4, 2022, LAIQON AG initially acquired a 17.75 % stake in growney GmbH for a total of EUR 3 million. In December 2022, LAIQON AG expanded its stake in growney GmbH to an initial 72.04 % through the non-cash issue of 944,082 new shares.

New shares were issued on a non-cash basis at a price of EUR 10.00 per share on December 21, 2022 subject to the exclusion of the shareholders' pre-emptive subscription rights. Only the shareholders of growney GmbH were permitted to subscribe to the new shares. LAIQON AG's share capital was thus increased by EUR 944,082 through the issue of 944,082 new no-par-value bearer shares at a pro-rata amount of EUR 1.00 per share. Subsequently, LAIQON AG acquired a further 1.56 % through a cash equity issue of EUR 1 million, resulting in a 73.6 % stake in growney GmbH as of the reporting date. A further cash equity issue is planned in 2023 to obtain a stake of 75 % in growney GmbH.

From LAIQON AG's perspective, the transaction is deemed to have been completed upon the entry of the equity issue in the commercial register on December 28, 2022. The company was consolidated from December 31, 2022.

The 944,082 shares had a fair value of EUR 8.20 based on the Xetra closing price of LAIQON AG shares on December 21, 2022, the date on which the non-cash equity issue was entered in the commercial register. growney GmbH holds 100 % of the capital of growney Technologies & Service GmbH.

The goodwill resulting from the acquisition is attributable in particular to the company's good market position in digital asset management and the related sales partnerships. In addition to growney GmbH, LAIQON AG also benefits from the expertise of the IT and sales employees in the entire DIGITAL segment.

Acquisition of growney GmbH

EUR thous.	
Cash and cash equivalents	1,984
Trade receivables	272
Property, plant and equipment (including right-of-use assets)	13
Intangible assets	5,696
Other assets	34
Identified assets:	**7,999**
Trade payables	98
Financial liabilities (including lease liabilities)	819
Other current liabilities	504
Deferred income tax liabilities	1,615
Identified liabilities:	**3,037**
Identified net assets	**4,962**
Non-controlling interests	-1,736
Net assets acquired	**3,226**
Composition of purchase price	
Cash equity issue	1,000
Ordinary shares issued	7,741
Fair value of existing share of 17.75 %	2,519
	11,261
Goodwill	**8,035**

Acquisition of Selection Asset Management GmbH

On July 5, 2022, LAIQON AG entered into a share-contribution contract and a transfer and sales contract for shares in Selection Asset Management GmbH together with MFI Asset Management GmbH. The purpose of the transaction was to acquire 100 % of the shares in Selection Asset Management GmbH followed by a merger with MFI Asset Management GmbH.

For this purpose, LAIQON AG initially acquired 44.84 % under the non-cash issue of 126,000 new shares. New shares were issued on a non-cash basis at a price of EUR 10.00 per share on December 2, 2022 subject to the exclusion of the shareholders' pre-emptive subscription rights. Only the shareholders of Selection Asset Management GmbH were entitled to subscribe to the new shares. LAIQON AG's share capital was thus increased by EUR 126,000.00 through the issue of 126,000 new no-par-value bearer shares at a pro-rata amount of EUR 1.00 per share. The 126,000 shares had a fair value of EUR 8.46 based on the Xetra closing price of LAIQON AG shares on December 2, 2022.

MFI Asset Management GmbH acquired the remaining 55.16 % subject to payment of fixed cash consideration of EUR 1,550 thousand. The fixed cash remuneration was paid after the entry of the aforementioned non-cash equity issue in the commercial register.

In a contract dated December 12, 2022, MFI Asset Management GmbH acquired the 44.84 % stake in Selection Asset Management GmbH from LAIQON AG subject to a cash payment of EUR 1,260 thousand.

The transaction is subject to contingent consideration, which is to be paid in four variable installments calculated separately for the years from 2022 to 2025 (retrospectively in each case). The amount is determined on the basis of the commission income generated in the respective year from advisory services provided for certain funds and is capped at a total of EUR 1,393 thousand.

The goodwill resulting from the acquisition is attributable in particular to the acquisition of highly qualified portfolio managers. The client base consisting of retail and special funds helps to additionally reinforce institutional advisory services.

As of the date of acquisition, no impairments were recognized on the trade receivables acquired.

Selection Asset Management GmbH was merged with MFI Asset Management GmbH effective September 30, 2022 on the date of entry in the commercial register, i. e. December 19, 2022.

Acquisition of Selection Asset Management GmbH

EUR thous.	
Cash and cash equivalents	574
Trade receivables	352
Property, plant and equipment	13
Intangible assets	2,089
Other assets	12
Identified assets:	**3,041**
Other current liabilities	421
Deferred income tax liabilities	689
Identified liabilities:	**1,110**
Identified net assets	**1,931**
Non-controlling interests	–
Net assets acquired	**1,931**
Composition of purchase price	
Cash remuneration	1,550
Ordinary shares issued	1,066
Contingent consideration	815
	3,431
Goodwill	**1,500**

LAIQON Solutions GmbH, Hamburg, was incorporated on August 23, 2022 and entered in the commercial register on September 7, 2022. The object of the company is to engage in the central processing, coordination and management of the distribution activities of the LAIQON Group in the form of sales to private clients via partner and third-party channels as well as to institutional clients, 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 as well as all related transactions.

LAIQON Financial services GmbH (formerly Lloyd Fonds Makleragentur GmbH), Hamburg, was incorporated on April 11, 2022 and entered in the commercial register on April 29, 2022. The object of the company is to support and advise financial and insurance brokers, to act as an interface between financial and insurance brokers and the product providers as well as to operate as a loan broker in accordance with Section 34c (1) No. 2 of the German Trade Code, as an insurance broker in accordance with Section 34d (1) Sentence 2 of the German Trade Code, as a financial investment broker in accordance with Section 34f (1) No. 1 to 3 of the German Trade Code and as a real estate loan broker in accordance with Section 34i (1) of the German Trade Code. LAIQON AG sold 40 % of the shares in LAIQON Financial Service GmbH in July 2022.

V:KI GmbH, Hamburg, was incorporated on September 12, 2022 and entered in the commercial register on September 22, 2022. The object of the company is to advise and provide a digital financial investment platform and other solutions for cooperative banks for the sale of end-client products and for their own institutional investments, the coordination required for this, in particular in connection with the platform economy of the cooperative financial association Volksbanken Raiffeisenbanken, and the further development of the digital financial investment platform, services and investment products sold via the platform, as well as all related transactions.

There are profit and loss transfer agreements in force with SPSW Capital GmbH, 53.10. Real Assets Treuhand GmbH, BV Bayerische Vermögen GmbH, MFI Asset Magament GmbH, m+c Asset Allocation GmbH, Lange Asset & Consulting GmbH, LAIQON Token GmbH and 53.10. Real Estate Management GmbH.

2. Lloyd Fonds Shipping Beteiligung GmbH & Co. KG is fully consolidated in accordance with IFRS 10 due to the availability of a majority of the voting rights at the shareholder meetings notwithstanding the fact that a share of less than 50 % is held in it.

In the year under review, BV Holding AG was deconsolidated from September 30, 2022 due to the merger with LAIQON AG.

The reporting date of the LAIQON Group is identical to that of the subsidiaries (namely December 31).

6.2.2.3 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanied by a shareholding of between 20 % and 50 % of the voting rights. The 46 (previous year: 51) associates are accounted for using the equity method of accounting and initially recognized at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share in its associates' post-acquisition profits or losses is recognized in the income statement and its share in post-acquisition movements in reserves is recognized in reserves. The accumulated post-acquisition movements are adjusted against the carrying amount of the investment. If the Group's share of losses in an associate equals or exceeds its interest in such associate, including any other unsecured receivables, the Group does not recognize any further losses unless it has incurred obligations or made payments on behalf of the associate.

Any unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The reporting date of the LAIQON Group is identical to the reporting date of all entities accounted for using the equity method (namely December 31). The financial statements of LAIQON AG and of the material associates accounted for using the equity method have been prepared using uniform accounting policies. If the final single-entity financial statements of the entities concerned are not yet available as of the date on which the consolidated financial statements are prepared, provisional financial statements are used.

In exceptional cases, the LAIQON Group may exert a material influence on an associate due to the specific provisions of its articles of incorporation notwithstanding the fact that it holds a share of less than 20 % in its capital.

In the case of insolvent entities, significant influence ceases to exist upon the insolvency administrator assuming management of the entity in question, with the result that such entities are no longer classified as associates. This currently applies to 28 (previous year: 28) Group companies.

6.2.3 Property, plant and equipment

Property, plant and equipment are recognized at historical cost and depreciated on a straight-line basis over their useful lives. Historical cost includes the directly attributable transaction costs. Gains or losses from the disposal of non-current assets are reported within other net operating profit or loss.

Scheduled depreciation is calculated on a uniform Group-wide basis. Fittings in leased office premises are written down on the basis of an expected rental period of ten years. Useful lives of between three and 19 years are assumed for other equipment, operating and business equipment. In other cases, they are depreciated over the shorter of the useful life of the asset or the term of the lease. The useful lives and any residual values are reviewed annually to ensure that they are adequate. For the purposes of subsequent measurement, the right-of-use asset is amortized on a straight-line basis over the term of the lease or the period of use of the leased asset, whichever is the shorter, and adjusted for any impairment losses.

In accordance with IFRS 16, a right-of-use asset and a corresponding lease liability are recognized for all leases and therefore result in an increase in total assets. However, IFRS 16 provides for the option of not recognizing a right-of-use asset and a corresponding lease liability in the case of leases with a term of less than twelve months (short-term leases) and for leases of low-value assets. The LAIQON Group makes use of this option. The lease liability is discounted upon initial recognition in accordance with IFRS 16.27 on the basis of the present value of the future lease payments using the lessee's incremental borrowing rate and is recognized under financial liabilities. The weighted average incremental borrowing rate applied by the LAIQON Group stands at 4.76 %. For the sake of simplicity, the right-of-use assets are recognized at an amount equaling the corresponding lease liability, adjusted for lease payments made in advance or deferred. The lease payment is divided into payments of principal and interest. Payments of interest are recognized through profit and loss for the duration of the lease.

The right-of-use assets with respect to land and buildings relate to rental properties. Motor vehicles include company vehicle leases, while operating and office equipment comprises office equipment. Payments made under short-term and low-value leases are recognized in the income statement on a straight-line basis. Three real estate leases provide for extension options, which were not recognized in the balance sheet as of the reporting date. There are options to extend the contracts for five years in each case.

6.2.4 Intangible assets
Other than goodwill, the LAIQON Group does not have any intangible assets with an indefinite useful life. Intangible assets acquired for good consideration are recognized at cost and amortized using the straight-line method over their useful lives. The useful economic life is three to 25 years.

Internally generated intangible assets include expenses for the development of software and for the website, arising through contracts with external third parties as well as internally. The research expenses incurred for this purpose are recognized as expenses. The useful life of the software and the website is three to ten years. They are reported under prepayments made if they have not yet gone into operation as of the reporting date.

6.2.5 Goodwill
Goodwill is measured at cost less any impairment losses. It is not subject to systematic amortization but is tested for impairment at least once a year.

6.2.6 Impairment of non-monetary assets
Intangible assets which have an indefinite useful life or which are not yet in a condition in which they are capable of operating as well as goodwill are not amortized; instead, they are subjected to an annual impairment test. Assets which are subject to depreciation or amortization undergo an impairment test if corresponding events or changes in circumstances indicate that the carrying amount may no longer be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value of the asset less the costs of disposal and the value in use. For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

6.2.7 Financial assets
Financial assets are classified and measured on the basis of the business model used and the structure of the cash flows. On initial recognition, a financial asset is measured either at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss.

Financial assets measured at amortized cost are held within a business model whose objective is to collect contractual cash flows. The cash flows generated by these assets comprise solely payments of principal and interest.

Debt instruments that are held for the short term to realize price gains or whose cash flows do not relate solely to payments of principal and interest are measured at fair value through profit or loss.

Financial assets that are debt instruments are measured at fair value through other comprehensive income if they are held to collect the contractual cash flows and for sale and the cash flows represent solely payments of principal and interest.

Financial assets are subject to credit risks, which are accounted for by recognizing a credit loss or, if losses have already been incurred, by recognizing an impairment loss. The credit loss resulting from receivables and loans is taken into account by recognizing individual and portfolio-based expected credit losses.

Specifically, credit losses are recognized for these financial assets in an amount equaling the expected loss in accordance with uniform Group-wide standards. The actual loss allowances for defaults incurred are then derived from this credit loss. A potential loss allowance is assumed not only in the event of various facts such as late payment over a certain period, impending insolvency or overindebtedness, filing for or the commencement of insolvency proceedings or failure of restructuring measures, but also for receivables that are not overdue.

To determine portfolio-based loss allowances, non-significant receivables and significant individual receivables without any evidence of impairment are grouped into homogeneous portfolios based on comparable credit risk characteristics and broken down by risk class. Average historical probability of default in conjunction with forward-looking parameters for the respective portfolio are used to determine the amount of loss allowance. Credit losses must be determined for all financial assets that are measured at amortized cost or at fair value through comprehensive other income (debt instruments).

The expected credit losses approach uses a three-stage process for allocating loss allowances.

Stage 1: 12-month expected credit losses without any significant increase in credit risk

This stage includes all contracts with no material increase in credit risk since initial recognition and regularly includes new contracts and those with payments that are less than 31 days past due. The portion of the lifetime expected credit loss of the instrument that is attributable to a default within the next twelve months is recognized.

Stage 2: life-time expected credit losses – not credit-impaired

If a financial asset has had a significant increase in credit risk since initial recognition, but is not credit-impaired, it is assigned to Stage 2. The expected credit losses measured over the entire term of the financial asset on the basis of possible payment defaults are recognized.

Stage 3: life-time expected credit losses – credit-impaired

If a financial asset is credit-impaired, it is assigned to Stage 3. The expected credit losses measured over the entire term of the financial asset are recognized. Objective evidence that a financial asset is impaired is if it is 91 days past due or other information is available about significant financial difficulties on the part of the debtor. The determination of whether a financial asset has experienced a significant increase in credit risk is based on an assessment of the probability of default performed at least quarterly, which takes into account both external rating information and internal information about the credit quality of the financial asset. In the case of debt instruments other than receivables from financial services, a significant increase in credit risk is determined primarily on the basis of the payment history. A financial asset is transferred to Stage 3 if there has been a significant increase in credit risk since initial recognition. Credit risk is assessed on the basis of the probability of default.

The approach is applied to trade receivables, in which case lifetime expected credit losses are recognized upon initial recognition. In Stages 1 and 2, the effective interest income is determined on the basis of the gross carrying amount. As soon as a financial asset has become credit-impaired and is assigned to Stage 3, the effective interest income is determined on the basis of the net carrying amount (gross carrying amount less loss allowance).

6.2.8 Trade receivables and other receivables

Trade receivables and other receivables are initially recognized at the transaction price and subsequently measured at amortized cost using the effective interest method, less any impairment. In this connection, the effective interest method is used only if the receivable is not due for settlement in less than twelve months. Impairments are recognized on trade receivables when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Indicators of possible impairment particularly include delayed payments and any deterioration in the debtor's credit rating. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The impairment loss is taken to the income statement and allocated to other operating income/expenses. If a receivable is deemed irretrievable, it is derecognized and allocated to the impairment account for trade and other receivables. Any subsequent payments received towards derecognized receivables are reported in the income statement within other operating income.

The calculation of expected future loss allowances in connection with IFRS 9 is generally based on historical probabilities of default supplemented by future parameters relevant for credit risk. The loss allowances take sufficient account of expected future credit risks; specific defaults result in the derecognition of the receivables concerned. For the purpose of calculating loss allowances, financial assets with similar credit risk characteristics are grouped together and jointly tested for impairment.

It is assumed that the fair value of trade and other receivables equals their nominal value less impairments.

6.2.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. For the purposes of the cash flow statement, bank overdraft facilities are netted against cash and cash equivalents. Bank balances which are subject to drawing restrictions are not included in cash and cash equivalents in the cash flow statement.

As cash and cash equivalents are held exclusively with investment-grade financial institutions in Germany and are therefore not subject to any significant credit risk, they are assigned to Stage 1 under the credit loss model in accordance with IFRS 9.

6.2.10 Equity

Incremental costs which are directly attributable to the issue of new shares or options are recognized in equity as a deduction net of tax from the proceeds of the issue. Taxes are included provided that they are expected to have any impact. Costs relating to the issue of new shares as well as the stock-market listing of shares already issued are split and assigned to the individual transactions. Transaction costs arising in connection with the stock-market listing of shares already issued are taken to the income statement.

6.2.11 Liabilities and financial liabilities

Financial liabilities measured at amortized cost and borrowings are initially measured at fair value less transaction costs, which regularly equals the value of the consideration received. In subsequent periods, liabilities and borrowings are stated at amortized cost; any difference between the proceeds and the redemption value is recognized in profit or loss over the period of the liability or borrowing using the effective interest method. They are reported within current liabilities unless they are due for settlement in more than twelve months after the reporting date, in which case they are recorded as non-current liabilities.

It is assumed that the fair value of trade payables equals their nominal value less adjustments. The fair value of non-current financial assets is derived by discounting the future contractual payment flows with the current market interest rate granted to the Group for comparable financial instruments.

The net asset value attributable to the other limited partners is due to the right of termination provided for in the Articles of Incorporation in favor of the subscribers of the "Premium Portfolio Austria" fund. These rights may be exercised for the first time as of December 31, 2025 and constitute a right to put back the financial instrument as defined in IAS 32.18 (b). IAS 32.AG29A states that the exceptions referred to in paragraphs 16AD of IAS 32 do not apply to the consolidated financial statements, which means that the capital commitments must be classified as borrowings. The amount of the settlement entitlement is governed by the respective Articles of Incorporation and is based on the fair value of the net assets. The value of this item was measured at fair value in connection with the first-time consolidation (present value of settlement claim). In subsequent periods, the resulting liabilities are amortized over time using the effective interest method and, where applicable, adjusted in the light of the modified distribution forecasts. Furthermore, the non-controlling interests in the consolidated companies LAIC AIF Token GmbH & Co. KG and LAIC TOKEN MITARBEITER GmbH & Co. KG are included in the net asset value attributable to the other limited partners.

6.2.12 Employee and management benefits

6.2.12.1 Profit participation

Allocations of profit based on certain profit-sharing arrangements for the members of the Management Board and the Supervisory Board and certain employees are recognized as expense and either reported through other comprehensive income as an increase in equity or recognized as a liability in the balance sheet. The Group recognizes an accrued liability in the balance sheet where contractually obliged or where a past business practice has created a constructive obligation.

6.2.12.2 Share-based and performance-based compensation

The shareholders of LAIQON AG have agreed to establish a share- and performance-based remuneration plan with three components:

Stock option program (SOP)

Part of the remuneration of the members of the Management Board and other selected employees consists of stock options under the SOP. Under the SOP, these employees receive options on shares issued by the Company. This means that the SOP comes within the scope of IFRS 2. The stock options may be settled with shares. To this end, the shareholders of LAIQON AG approved contingent capital, which was duly entered in the commercial register on August 29, 2018. At the annual general meeting held on August 31, 2020, the shareholders approved an adjustment to Contingent Capital 2018 II, which was duly entered in the commercial register on September 7, 2020. At the annual general meeting held on August 31, 2021, the shareholders approved a further adjustment to Contingent Capital 2018 II, which was duly entered in the commercial register on September 13, 2021. At the annual general meeting held on July 21, 2022, the shareholders approved a further adjustment to Contingent Capital 2018 II, which was duly entered in the commercial register on August 12, 2022 (see also Contingent Capital 2018 II in Note 6.7.9.1).

In accordance with IFRS 2.41, the SOP is classified as an equity-settled plan and recognized accordingly in equity. LAIQON AG has the option of settling the stock options in cash (share-based payments with cash alternatives). However, there is no obligation to pay cash and there is no historical data on exercise preferences or other circumstances that would give rise to any obligation to pay cash. Against this backdrop, the SOP is classified as an equity-settled plan and is duly recognized within equity.

In the case of equity-settled plans, the fair value is determined as of the grant date. The reference dates for the SOP during the reporting period are January 1, 2021, January 18, 2021, March 26, 2021, April 1, 2021, December 1, 2021, January 1, 2022, March 15, 2022, May 1, 2022 and October 1, 2022 due to contractual obligations.

The SOP beneficiaries may exercise the stock options granted to them, provided that the vesting period of five years, which starts on the issue date of the options, has expired, the stock options are exercised during a maximum term of eight years (i. e. within three years of expiry of the vesting period) outside certain blocking periods and two performance targets are met:

- Performance target 1 (market condition): The share price doubles within five to eight years (period from the end of the vesting period until the end of the term): The volume-weighted average price of the Company's no-par bearer ordinary shares (no-par shares) in the electronic Xetra trading system operated by Deutsche Börse AG in Frankfurt am Main or a comparable successor system during the last 30 (thirty) trading days prior to the date on which the subscription rights are exercised ("reference period") equals at least 200 % of the exercise price. Only the reference periods ending on the last day of the vesting period or later are relevant.

- Performance target 2 (non-market condition): EBITDA increases threefold from 2020 until 2026: Reported EBITDA at the Group level as shown in the consolidated financial statements prepared as of the last reporting date before expiry of the vesting period exceeds the reported EBITDA as shown in the consolidated financial statements prepared as of the penultimate reporting date before the expiry of the subscription rights by at least 200 %.

The SOP also provides for a cap that limits the profit achievable under the SOP to eight times the exercise price.

The stock options for the members of the Management Board may be exercised upon the expiry of a vesting period of five years, provided that they are still in active employment at the end of the vesting period.

If the eligible member of the Management Board receives a stock option commitment through an extension of his service contract as a result of reappointment, the SOP must be accounted for as an equity-settled plan. Equity-settled plans are recognized in equity (IFRS 2.10) over the period during which the Company receives the agreed services (vesting period). The vesting period is generally the period between the grant date and the vesting date (IFRS 2.15).

The grant date is the date on which the eligible members of the Management Board are reappointed. Upon the expiry of the vesting period, no further expense is recognized. Expenses are therefore recognized on a straight-line basis from the date of reappointment or renewal until the end of the vesting period.

Phantom stock plan (PSP)

As an additional form of remuneration, one member of the Management Board and one employee of LAIQON AG receive a tranche of phantom stocks under the PSP for each year of service on April 1 of each year, entitling them to receive variable remuneration from the Company after the expiry of a two-year period.

A new tranche was issued in the year under review. Accordingly, there is one phantom stock tranche as of December 31.

As the phantom stocks are settled in cash and there is no option to settle them in shares, the PSP is classified as a cash-settled plan (IFRS 2.30). The provisions for cash-settled plans are recognized through profit and loss. Unlike equity-settled plans, the provisions are adjusted on the basis of the current fair value on each reporting date, meaning that in the present case the fair value of the phantom stocks as of December 31, 2022 was determined for recognition through profit and loss. The phantom stock bonus payout is linked to two performance targets:

- Performance target 1 (market condition): The share price increases by 15 % within two years (until March 31 of the year after next): A payout is made only if a certain price target (performance target 1) is reached on the reference date. Performance target 1 is deemed to have been achieved if the relevant share price on the reference date is at least 115 % of the basic amount.

- Performance target 2 (non-market condition): Reported EBITDA before the reference date is equal to or greater than 90 % of the budgeted EBITDA. Furthermore, settlement of the phantom stock bonus is conditional on the Company's EBITDA in the two quarters prior to the respective reference date being at least 90 % of EBITDA in accordance with the business plan approved by the Supervisory Board.

The PSP is also capped. The payment of a tranche under the PSP may not exceed the bonus paid to the beneficiary from the previous year. Beneficiaries relinquish all entitlement to payment if their service terminates before the expiry of the two-year term.

The fair value of a stock option and the phantom stock is calculated using Monte Carlo simulations. The following tables summarize the applicable valuation parameters and the fair values determined.

	Grant date								
EUR thous.	Jan. 1, 2021	Jan. 18, 2021	Mar. 26, 2021	Apr. 1, 2021	Dec. 1, 2021	Jan. 1, 2022	Mar. 15, 2022	May 1, 2022	Oct. 1, 2022
Share price at grant date (EUR)	6.20	6.95	6.20	6.95	12.10	15.15	10.60	8.68	5.64
Exercise price (EUR)	6.21	6.29	6.51	6.60	10.89	13.40	11.19	9.78	5.93
Term (from reference date)	8 years	8 years	8 years	8 years	8 years	8 years	8 years	8 years	8 years
Risk-free interest	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0.2 %	1.2 %
Dividend return	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %	2 %
Stock volatility	40 %	40 %	40 %	40 %	40 %	40 %	40 %	40 %	40 %
EBITDA volatility	50 %	50 %	50 %	50 %	50 %	50 %	50 %	50 %	50 %
Fair value per stock option (in EUR)	**1.88**	**2.29**	**1.81**	**2.22**	**4.01**	**5.09**	**3.07**	**2.44**	**1.87**

	(Tranche 2022)
Measurement date	Dec. 31, 2022
Share price at grant date (EUR)	10.40
Basic value (EUR)	12.87
Term (from reference date)	2 years
Risk-free interest	1.96 %
Dividend return	0 %
Stock volatility	40 %
EBITDA volatility	50 %
Fair value per phantom stock (EUR)	**0.13**

Flagship bonus (FSB)
From 2019, an FSB is also awarded to individual employees. This is derived from the performance of a fund managed by the LAIQON Group over a period of two years.

6.2.13 Taxes

Current income tax expense is calculated on the basis of national tax legislation. In addition, current tax expense for the year under review includes adjustments for any tax payments or refunds for years for which final tax assessment notices have not yet been received, meaning that assessment changes are possible. In addition, there are tax refund claims for deductible taxes that have not yet been refunded as well as changed assessment notices.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements (liability method). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized on temporary differences to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets on unused tax losses are recognized to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. The planning horizon as of the reporting date is five years. In 2022, deferred income tax assets of EUR 15,003 thousand (previous year: EUR 10,192 thousand) were recognized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates if the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are netted if there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes are payable to the same tax authority.

6.2.14 Provisions

Provisions are recognized if the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be necessary to settle the obligation and a reliable estimate can be made of the amount of the obligation. Non-current provisions are recognized at the present value of the expenditure expected to be required to settle the obligation discounted at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognized as borrowing cost.

6.2.15 Revenue recognition

Revenues comprise the fair value received for the sale of services excluding value added tax, discounts and rebates and after eliminating transactions within the Group. Income from the provisions of services of all kinds is recognized only if the service has been provided, legal entitlement to consideration has arisen, the amount of the income can be reliably estimated and it is sufficiently probable that an economic benefit will flow to the Company. In addition, individual income is accounted for in accordance with the following principles:

The LAIQON Group provides investment management, advisory services and project funding structures for fund entities and external third parties. Depending on the wording of the contract in question, income is realized either upon the service in question being completed or on a percentage-of-completion basis reflecting the progress made in the execution of the service in question.

In addition to management activities, LAIQON also provides management support services for the fund entities. As these services are performed continuously over the term of entity, income is recognized on a time-proportionate basis.

In addition, LAIQON provides trusteeship services entailing the management of limited-partner shares held for third parties or managed following entry in the commercial register as well as the preparation and dispatch of invitations for and the organization of shareholder meetings. Trusteeship fees arising in following years are recognized on each reporting date as a share of the applicable value of the capital under management.

IFRS 15, Revenue from Contracts with Customers was applied for the first time from January 1, 2018. In accordance with IFRS 15, a five-step model is applied to determine the amount of revenues and whether they are to be recognized at a specific point in time or over time:

- Step 1: Identify contracts with customers
- Step 2: Identify distinct performance obligations
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price
- Step 5: Recognize the income from the satisfaction of the performance obligation

Significant revenues from management services and revenues from trustee activities are over-time services as defined in IFRS 15. The application of IFRS 15 did not result in any changes to revenue recognition. In contrast, revenues from arrangement and structuring services are mainly point-in-time. Two performance obligations have been identified in connection with investment advisory services with respect to investment funds initiated in 2019 and 2021. These are investment advisory services regarding the purchase and sale of financial instruments for the funds on the one hand and the marketing of the funds on the other. Compensation for investment advisory services is subject to uncertainty during the accounting period and the revenue from this performance obligation cannot be recognized until it is settled. The remuneration for marketing services is settled on a monthly basis. Accordingly, the service may be considered to be performed and recognized as revenue on a monthly basis.

Interest income is recorded using the effective interest method on a time-proportionate basis. Dividend income is recognized when the right to receive payment is established, i. e. the date on which the corresponding resolution is passed.

6.2.16 Currency translation

The consolidated financial statements are presented in euros, which is LAIQON AG's functional and reporting currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Gains and losses from the settlement of such transactions as well as the transaction-date translation of monetary assets and liabilities held in a foreign currency are recognized through profit and loss.

The following exchange rates were applied in 2021 and 2022:

EUR	End-of-year rate		Average exchange rate	
	2022	2021	2022	2021
US dollar (US-$)	1.0666	1.1326	1.0589	1.1325

6.3. Financial risk management

6.3.1 Risks from financial instruments

The Group's activities expose it to a variety of risks from financial instruments. These entail liquidity, market price and credit risks. Market risk involves interest, currency and price risks.

6.3.1.1 Liquidity risk

Liquidity risk is managed by the Finance department on the basis of procedures and measures complying with the risk management policy issued by the Management Board. Short-term liquidity is managed by means of rolling liquidity planning covering a forward-looking range of up to one year. It is supplemented by medium-term forecasts for the following five years. This is an integrated planning model comprising a forecast income statement. Both the short and medium-term forecasts are derived from the Group's business planning and are mutually aligned to each other.

6.3.1.2 Market risk

Interest risk, which is one aspect of market risk, arises from possible fluctuations in the fair value of a financial instrument and the cash flows which it is expected to yield on account of changes in market interest rates. This affects the Group's future interest income and expense and may also influence the fair value of its financial instruments. Normally, loans granted or utilized are subject to a fixed interest rate reflecting standard market conditions. They are subsequently measured at amortized cost using the effective interest method in accordance with IFRS 9. Accordingly, no material adjustments to fair value are likely.

In these consolidated financial statements, foreign-currency risks primarily relate to the translation of US-$-denominated assets and liabilities into euro. To minimize these effects, the LAIQON Group regularly analyzes its foreign-currency assets and liabilities and forecasts future trends. The focus here is on risks affecting the Group's liquidity. If any significant risks to the Group's financial condition arise from foreign-currency exposure, appropriate hedges are transacted. At present, this does not result in any open positions.

The Finance department is responsible for managing interest and foreign-currency risks in consultation with other Group departments. Due to possible negative trends in exchange rates, foreign-currency holdings currently not required are converted to euros with minimum delay.

Price risk relates in particular to the measurement of financial assets at fair value through profit or loss. The shares held by the Group in its own funds in the LLOYD FONDS REAL ASSETS segment come within this category and chiefly comprise shares which the LAIQON Group has retained as the original initiator of the funds.

LAIQON measures the fair value of all investments in material associates at the end of each half-year period. This is performed by the Group's fund management in the LLOYD FONDS REAL ASSETS segment in close consultation with Group Accounting to ensure that any changes are correctly reflected in the balance sheet. Under IFRS 9, all changes in fair value are recognized within other net finance income/expense.

Among other things, the LAIQON Group, like the entire financial services sector, is exposed to the economic fallout from the Ukrainian war and the COVID 19 pandemic. The duration and intensity of the impact are uncertain at this time and therefore cannot be estimated.

6.3.1.3 Credit risk

The credit risk refers to the threatened non-recoverability of outstanding receivables. In the wake of the economic and financial crisis, there was a general increase in this risk. This particularly concerned receivables from distressed investment funds. As part of efforts to restructure these entities, the LAIQON Group granted respites on these receivables and, in some cases, agreed to waivers in return for debtor warrants. The resultant credit risks are provided for by means of individual impairments. As receivables are viewed individually, it is assumed that their fair value equals their nominal value less loss allowances in accordance with IFRS 9. IFRS 9 contains guidance according to which the credit risk increases if financial assets become past due. This situation mostly does not arise in LAIQON AG's business. A case-by-case approach continues to be applied. The maximum credit risk is valued at EUR 9,979 thousand.

In addition to ongoing impairment testing of receivables, LAIQON is responding to the heightened credit risk by means of steady and sustained improvements in its receivables management. This particularly focuses on swift collection of outstanding amounts in an effort to reduce the volume of receivables due for immediate settlement.

6.3.2 Disclosures on financial instruments

The following table analyzes the financial instruments broken down by the categories defined in IFRS 9 as well as the classes selected by the LAIQON Group in accordance with IFRS 7. The remaining balance sheet items classified as financial instruments are not subject to the IFRS 9 measurement categories. The carrying amount equals the fair value:

EUR thous.	IFRS 9 measurement category Dec. 31, 2022 AC	IFRS 9 measurement category Dec. 31, 2022 FVTPL	Carrying amounts in accordance with IFRS 9 Dec. 31, 2022 Total
Non-current assets			
Financial assets at fair value through profit and loss	–	1,180	1,180
Current assets			
Trade receivables and other receivables	9,942	–	9,942
Receivables from related parties	37	–	37
Financial assets at fair value through profit and loss	–	863	863
Cash and cash equivalents	10,375	–	10,375
	20,354	**863**	**21,217**
Assets	**20,354**	**2,043**	**22,397**
Non-current liabilities			
Net assets attributable to other limited partners	166	4,193	4,359
Trade payables and other liabilities	21	5,607	5,628
Liabilities to related parties	–	997	997
Financial liabilities	16,535	–	16,535
	16,723	**10,797**	**27,519**
Current liabilities			
Trade payables and other liabilities	9,188	6,841	16,029
Liabilities to related parties	62	2,489	2,551
Financial liabilities	2,311	–	2,311
	11,561	**9,330**	**20,891**
Liabilities	**28,283**	**20,127**	**48,410**

EUR thous.	IFRS 9 measurement category Dec. 31, 2021 AC	IFRS 9 measurement category Dec. 31, 2021 FVTPL	Carrying amounts in accordance with IFRS 9 Dec. 31, 2021 Total
Non-current assets			
Financial assets at fair value through profit and loss	–	2,719	2,719
	–	**2,719**	**2,719**
Current assets			
Trade receivables and other receivables	6,177	–	6,177
Receivables from related parties	29	–	29
Financial assets at fair value through profit and loss	–	9,908	9,908
Cash and cash equivalents	16,331	–	16,331
	22,537	**9,908**	**32,445**
Assets	**22,537**	**12,627**	**35,164**
Non-current liabilities			
Net assets attributable to other limited partners	151	5000	5,151
Trade payables and other liabilities	35	9,169	9,204
Liabilities to related parties	–	2,560	2,560
Financial liabilities	10,630	–	10,630
	15,816	**11,729**	**27,545**
Current liabilities			
Trade payables and other liabilities	7,857	8,266	16,123
Liabilities to related parties	62	3,439	3,501
Financial liabilities	7,217	–	7,217
	15,136	**11,705**	**26,841**
Liabilities	**30,952**	**23,434**	**54,386**

6.3.2.1 Receivables at amortized cost

The Group's receivables at amortized cost (AC) rose by a total of EUR 3,631 thousand from EUR 6,205 thousand to EUR 9,836 thousand. The maturity structure in the year under review as well as in the previous year breaks down as follows:

EUR thous.	2022	2021
Not yet due for settlement	25	253
overdue by 1-30 days	5,834	2,326
overdue by 31-365 days	3,400	2,948
overdue by more than one year	720	678
	9,979	**6,205**

As of December 31, 2022, loss allowances of EUR 1,055 thousand were utilized. In addition, loss allowances of EUR 854 thousand (previous year: EUR 0 thousand) were reversed due to positive outcomes in insolvency proceedings. Details of the underlying estimates and assumptions can be found in Note 6.4.3.

6.3.2.2 Assets at fair value through profit and loss

In measuring financial instruments at fair value, three different hierarchy levels are used:

- Level 1: Prices quoted in active markets for identical assets or liabilities (such as share prices).
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i. e. as prices) or indirectly (i. e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data.

As in the previous year, the Group's financial assets measured at fair value comprise almost solely investments in associates as of December 31, 2022. These are measured at fair value through profit and loss. The fair value of these investments is calculated using the discounted cash flow method, meaning that they are assigned to Level 3 of the hierarchy. Allocation to the individual levels of the hierarchy is reviewed regularly and adjusted if necessary. See Note 6.4.2 for details.

6.3.2.3 Financial liabilities

As of December 31, 2022, the Group's financial liabilities totaled EUR 48,410 thousand (previous year: EUR 54,662 thousand). Financial liabilities are due for settlement as follows:

EUR thous.	2022	2021
Less than one year	20,891	26,840
One to five years	21,678	22,671
More than five years	5,841	5,151
	48,410	**54,662**

Please refer to Notes 6.7.10, 6.7.11, 6.7.12 and 6.7.13 for explanations of significant developments in financial liabilities.

6.3.2.4 Impairment losses

EUR thous.	2022	2021
AC measurement category		
Trade receivables and other receivables		
Amount on January 1	5,397	6,575
Added	319	–
Utilized	-1,055	-1,178
Reversed	-854	–
Amount on December 31	**3,808**	**5,397**
Receivables from related parties		
Amount on January 1	–	–
Added	–	–
Utilized	–	–
Reversed	–	–
Amount on December 31	–	–
Impairment losses on December 31	**3,808**	**5,397**

6.3.2.5 Other disclosures

Net gains (or losses) on financial instruments break down as follows:

EUR thous.	2022	2021
Measured at amortized cost		
AC measurement category		
Trade receivables and other receivables	–	–
Financial liabilities at residual carrying amount		
Trade payables and other liabilities	12	86
	12	86
Net gains/losses from financial instruments	**12**	**86**

The net gains/losses on financial instruments measured at amortized cost comprise unrealized currency translation gains, income from the derecognition of liabilities, the recognition and reversal of impairments on receivables, further loss allowances in accordance with IFRS 9 and expense in connection with irretrievable receivables. As a result of the application of IFRS 9, no financial instruments are measured at fair value through other comprehensive income.

Net interest on the financial assets measured at amortized cost in accordance with IFRS 9 breaks down as follows:

EUR thous.	2022	2021
Amortized cost (AC) measurement category		
Interest income from other limited partners	–	–
Interest income from interest cost of receivables	–	–
Other interest and similar income	–	–
Amortized cost (AC) measurement category		
Interest expenses on borrowings	-1,144	-1,261
Interest expenses due to limited partners	-15	-2
	-1,159	**-1,263**
	-1,159	**-1,263**

6.3.3 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. The realignment of the Group and the associated planned investments meant that no dividend was distributed for the 2021 financial year. Similarly, no dividend is being proposed for the 2022 financial year in order to stabilize equity.

As of December 31, 2022, the LAIQON Group's equity stood at EUR 72,088 thousand, up from EUR 48,362 thousand at the end of the previous year. The equity ratio came to 51.55 % as of the reporting date (December 31, 2021: 41.35 %). More details on changes in equity can be found in the statement of changes in equity and in Note 6.7.9.

6.4 Use of estimates and assumptions and changes to estimates and discretionary decisions

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. The material estimates and assumptions entailing a significant risk in the form of a material adjustment to the carrying amounts of assets and liabilities within the next financial year are detailed below. Deviations from these estimates and assumptions may occur over the next year, thus necessitating substantial changes to the carrying amounts.

6.4.1 Recoverable value of investments in associates accounted for using the equity method

LAIQON holds investments in a total of 46 (previous year: 51) associates which are accounted for using the equity method of accounting. In most cases, these are fund management entities as well as project entities. The management entities receive fixed annual remuneration from the funds.

In the year under review, the share of profit of associates accounted for using the equity method was adjusted through profit and loss by EUR 281 thousand (previous year: EUR 327 thousand) allowing for dividend distributions. As of the reporting date, the aggregate carrying amount of these investments stood at EUR 570 thousand (previous year: EUR 6,360 thousand).

Lange Assets & Consulting GmbH has been fully consolidated since June 30, 2022 and is no longer accounted for as an associate (see Note 6.2.2.2).

6.4.2 Measurement of financial assets at fair value through profit and loss

In the previous years, individual investment funds in the LLOYD FONDS REAL ASSETS segment became distressed as a result of the economic and financial crisis and insolvencies arose in individual cases. Ship funds were exposed to risks when, for example, it was not possible to achieve a follow-up charter upon the expiry of the existing one or when such follow-up charter was possible only on terms substantially below those allowing the fund to break even and to service its debt. As part of its risk management system, the LAIQON AG monitors the financial condition of all funds so that any countermeasures which may be necessary can be implemented in good time. Although the losses sustained by the fund entities do not have any direct effect on LAIQON AG's consolidated income statement, they may be evidence of an impairment of the receivables and carrying amount of the investment. The fair value of the investments is normally calculated using the discounted cash flow method in accordance with IFRS 9. As of the reporting date, the aggregate carrying amount of these investments stood at EUR 1,794 thousand (previous year: EUR 11,526 thousand).

The fair value measurements for the Group's ship investments are based on forecast charter rates and steel price data provided by Clarkson Research. In the addition, the following main criteria are applied:

- Planning horizon: 25 years after going into operation
- Forecast exchange rate: US-$/€ 1.20
- Capitalization rate: 7.0 %
- Increase factor for ship operating costs: 3 % p. a.
- Increase factor for management costs: 2 % p. a.

The fair values of real estate and aircraft investments in particular as well as traded endowment policies are calculated on the basis of the payout forecasts issued by the fund management (see Note 6.2.7). Payment flows are discounted using the internal rate of return for the fund in question. Under IFRS 9, all changes in value are reported within other net finance income/finance expense.

If the capitalization interest rates changed to 8 %, this would result in net finance expense of EUR 1 thousand, which would lead to a decrease of EUR 1 thousand in the carrying amounts of the investments.

Similarly, an assumed exchange rate of US$/€ 1.25 would result in a negative change of EUR 5 thousand.

Conversely, a capitalization rate of 6 % would result in net finance income and an increase of EUR 1 thousand in the carrying amounts of the investments. Similarly, an assumed exchange rate of US$/€ 1.15 would result in a positive change of EUR 5 thousand.

6.4.3 Recoverable value of trade receivables and other assets

The recoverable value of receivables is calculated on the basis of an analysis of the individual default risks. A large part of the Group's receivables are due from fund entities and result from services provided by the Group, This particularly includes arrangement and structuring services, fund management and trusteeship business. Credit risks particularly arise if the funds' earnings deviate from forecasts. Receivables are generally considered individually and impairments recognized on a case-by-case basis . Further credit losses are recognized as a result of the credit loss model provided for by IFRS 9 (see also Note 6.2.7). As of the reporting date, these receivables had a carrying amount of EUR 9,979 thousand (previous year: EUR 6,206 thousand).

6.4.4 Measurement of risks from pending litigation

There is a risk of LAIQON AG being held liable for the actions of third parties acting on its behalf and for its account. However, external partners are monitored closely to avoid any liability-relevant activity and to reduce LAIQON AG's potential liability.

As of December 31, 2022, a total of 163 (previous year: 202) prospectus liability disputes for damages involving nominal capital of EUR 6.86 million (previous year: EUR 10.59 million) and US$ 0.06 million (previous year: US$ 0.37 million), in which LAIQON AG or 53.10. Real Assets Treuhand GmbH were parties, were pending. LAIQON or 53.10. Real Assets Treuhand GmbH prevailed in 261 (previous year: 231) out of the 351 (previous year: 313) court proceedings conducted between 2013 and the end of 2021 in which they were defendants or respondents. Settlements were reached in 61 cases and were fully covered by insurance (previous year: 59). Since 2013, only three funds (12 proceedings) have been subject to judgments against LAIQON AG or 53.10. Real Assets Treuhand GmbH. Of these, the rulings on one fund were based on an error in the prospectus. The other judgments concerned another two funds. In these cases, it was assumed that there was no error in the prospectus but that incorrect advice for which LAIQON AG or 53.10. Real Assets Treuhand GmbH were accountable in accordance with Section 278 of the German Civil Code had been given. In all cases, the costs incurred were covered by insurance. A total deductible of EUR 63 thousand (previous year: EUR 63 thousand) was payable by LAIQON AG and 53.10. Real Assets Treuhand GmbH in respect of all judgments upheld and settlements reached, in each case up to EUR 10 thousand per fund.

In addition, 20 (previous year: 54) court proceedings initiated by a bank against LAIQON AG were pending as of December 31, 2022. These relate to subscriptions totaling a nominal EUR 0.01 million (previous year: EUR 0.01 million) and a nominal US$ 0.75 million (previous year: US$ 2.07 million). These proceedings are primarily being settled between the plaintiff and the bank (LAIQON AG is merely an intervenor of the bank).

An outcome in which damages may be awarded against LAIQON AG or its subsidiaries under their liability for the prospectus cannot be ruled out in this or future litigation on account of errors or omissions in the contents of past or future prospectuses. LAIQON AG has suitable insurance cover for these cases and holds merely a small deductible. At the present time, LAIQON AG considers it more likely than not that it will prevail in court with its arguments and succeed in defending itself against the actions.

6.4.5 Estimates regarding tax risks

Developments in tax law and their impact on the Company are continuously reviewed. External specialists are available to management for this purpose and continuously monitor and, if necessary, intervene in the application of the tax regulations in the interests of the Company.

6.5 Segment report

6.5.1 Business segments

The segment report has been prepared in accordance with IFRS 8, Operating Segments. IFRS 8 stipulates the use of the “management approach”, i. e. the reportable segments are identified and presented on the basis of the entity’s internal reporting system. The chief operating decision maker as defined in IFRS 8 is the Management Board of LAIQON AG. The relevant earnings-based management parameter is EBT as well as earnings after tax.

The following reportable segments can be identified on the basis of the LAIQON Group’s internal reporting system:

LLOYD FONDS LIQUID ASSETS

- (Digital) financial portfolio management
- Investment advisory services
- Investment brokerage
- Arrangement of contracts
- Arrangement and management of shares in corporations and partnerships as well as shares in closed-end and open-end funds.

LLOYD FONDS REAL ASSETS

- Purchase and sale of assets for third parties in the real estate, shipping and secondary-market ship fund segments
- Structuring of investment products
- Debt and equity financing of assets
- Asset management and related other services
- Provision of management services for associates
- Fund management and investor reporting
- Preparation of business continuity plans and performance of pool management

The segment report reflects the results of the LAIQON Group’s operating segments. LAIQON AG has additionally enhanced the brand positioning for the Group and the three business segments LLOYD FONDS LIQUID ASSETS, LLOYD FONDS REAL ASSETS and LLOYD FONDS GROUP under its strategy 2023/25. The LLOYD FONDS LIQUID ASSETS segment includes LLOYD FONDS, LLOYD ASSETS and LLOYD DIGITAL. The LLOYD FONDS REAL ASSETS segment includes real estate, shipping and other assets. The LAIQON GROUP business segment includes the general other expenses attributable to the LAIQON Group.

The “LLOYD FONDS GROUP” segment is primarily composed of staff costs for the administrative and corporate units such as accounting, legal, communications (IR/PR) including marketing and the Management Board as well as general other operating expenses, e.g. rental, office and IT expenses.

Segment results break down as follows:

2022 EUR thous.	LLOYD FONDS LIQUID ASSETS	LLOYD FONDS REAL ASSETS	LLOYD FONDS GROUP	Total
External sales	17,448	1,744	2,383	21,575
Cost of sales	-1,600	–	2,065	-3,665
Staff costs	-13,840	-1,383	-1,890	-17,113
Net other operating income/expenses	-8,915	-891	-1,218	-11,024
Share of profit of associates	281	–	–	281
Segment EBITDA	**-6,626**	**-530**	**-2,789**	**-9,946**

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

Segment EBITDA	**-9,946**
Amortization/depreciation	-4,711
EBIT	**-14,657**
Net finance income/expense	-1,630
EBT	**-16,288**
Income taxes	5,747
Consolidated net profit before non-controlling interests	**-10,541**
of which attributable to non-controlling interests	**-376**
of which Consolidated net profit after allocation of non-controlling interests	**-10,165**

2021 EUR thous.	LLOYD FONDS LIQUID ASSETS	LLOYD FONDS REAL ASSETS	LLOYD FONDS GROUP	Total
External sales	20,211	3,449	2,461	26,121
Cost of sales	-615	-1	-2,086	-2,702
Staff costs	-6,993	-1,726	-2,622	-11,341
Net other operating income/expenses	-4,807	-1,187	-1,802	-7,796
Share of profit of associates	443	-116	–	327
Segment EBITDA	**8,239**	**419**	**-4,049**	**4,609**

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

Segment EBITDA	**4,609**
Amortization/depreciation	-3,938
EBIT	**672**
Net finance income/expense	5,747
EBT	**6,419**
Income taxes	213
Consolidated net profit before non-controlling interests	**6,632**
of which **attributable to non-controlling interests**	**1,481**
of which **Consolidated net profit after allocation of non-controlling interests**	**5,151**

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

As in the previous year, no intrasegment sales were recorded. The expenses and income in other operating income/expenses arising from transactions between the individual segments are, if necessary, eliminated. These are solely recharged items recorded at cost.

Following the acquisition of the Bayerische Vermögen Group and of growney GmbH in 2022, LAIQON AG will be realigning its segment reporting in its interim report as of June 30, 2023.

Finance income/expense is netted in segment reporting to reflect the internal reporting structure.

6.5.2 Reconciliation statement

The recognition and measurement methods applied to segment information correspond to those applied to the consolidated financial statements of the LAIQON Group. For this reason, the sales, post-tax profits and losses of the reportable segments, including “LLOYD FONDS GROUP”, tally with consolidated sales and consolidated earnings after taxes.

6.5.3 Disclosures at the company level

6.5.3.1 Information on products and services

Note 6.6.1 disaggregates sales from external customers by products and services.

6.5.3.2 Information on geographical regions

As in the previous year, the sales of EUR 21,575 thousand (previous year: EUR 26,122 thousand) in 2022 were generated entirely in Germany.

6.6 Notes on the consolidated income statement

6.6.1 Sales

EUR thous.	2022	2021
Income from fund and asset management	21,267	26,122
Income from arrangement and structuring services	308	–
Others	–	–
Sales	**21,575**	**26,122**

Compared to the previous year, sales decreased by a total of EUR 4,547 thousand to EUR 21,575 thousand in 2022 due to the lower performance fees generated from fund management in the LLOYD FONDS LIQUID ASSETS business segment.

6.6.2 Cost of sales

EUR thous.	2022	2021
Cost of services purchased	3,665	2,702
Cost of sales	**3,665**	**2,702**

The cost of sales rose by EUR 963 thousand over the same period in the previous year to EUR 3,665 thousand due to the enlarged reporting entity structure.

6.6.3 Staff costs

EUR thous.	2022	2021
Salaries	15,297	10,018
Social security	1,438	912
Stock option program	134	352
Retirement benefit expenses	24	2
Voluntary social security costs	178	41
Other staff costs	42	16
Staff costs	**17,113**	**11,341**

Staff costs came to EUR 17,113 thousand in 2022, compared with EUR 11,341 thousand in the previous year. This increase is mainly due to the business combinations arising in the year under review. The average number of employees was 123 in 2022 (previous year: 67).

In addition, expenses of EUR 134 thousand were incurred in the year under review (previous year: EUR 352 thousand) for the stock option program (SOP) for individual employees and for the phantom stock plans (PSP).

The employer contributions to the statutory pension scheme as well as contributions to direct insurance cover are classified as defined-contribution plans in accordance with IAS 19.38. In the year under review, these expenses came to EUR 683 thousand (previous year: EUR 413 thousand).

6.6.4 Amortization/depreciation

EUR thous.	Note	2022	2021
Depreciation, amortization			
Property, plant and equipment	6.7.1	1,994	1,628
Intangible assets	6.7.2	2,718	2,310
Amortization/depreciation		**4,711**	**3,938**

In the year under review, systematic depreciation of property, plant and equipment climbed by EUR 366 thousand. This also includes depreciation of EUR 1,387 thousand on right-of-use assets resulting from the application of IFRS 16 (previous year: EUR 1,088 thousand) (see Note 6.2.1.1).

The increase of EUR 408 thousand in the amortization of intangible assets is mainly due to the amortization of the fund management contracts recognized as part of business combinations as well as other intangible assets. Reference should be made to Notes 6.7.1 and 6.7.2 for details of the changes in property, plant and equipment and intangible assets.

6.6.5 Net other operating income/expenses

EUR thous.	2022	2021
Other operating income		
Income from the reversal of impairments of receivables	856	175
Income from the derecognition of liabilities	606	887
Remuneration in kind	80	74
Income from asset sales	1,340	–
Other income	218	283
	3,100	1,419
Other operating expenses		
Financial statement, legal and consulting costs	-5,303	-2,687
Office supplies, IT costs and communications	-3,910	-2,458
Rentals, ancillary rental costs, cost of premises and maintenance	-354	-331
Sales and marketing support and subscriber relations	-2,050	-1,860
Impairment losses on receivables and unrecoverable receivables	-888	–
Motor vehicle and travel costs	-481	-214
Other staff costs	-364	-371
Insurance and levies	-650	-416
Other expenses	-125	-878
	-14,124	**-9,215**
Net other operating income/expenses	**-11,024**	**-7,796**

The decline in net other operating income/expenses particularly reflects the increased legal and consulting costs in connection with the business combinations (see Note 6.2.2). In addition, the cost of IT applications and IT equipment increased due to the enlarged reporting entity structure.

Other operating income includes the sale of initiator rights for a retail fund structured by MFI Asset Management GmbH.

6.6.6 Share of profit of associates

EUR thous.	2022	2021
Share of profit of associates	281	327
Share of profit of associates	**281**	**327**

The share of profit of associates accounted for using the equity method primarily entails net investment income earned and the share of the net profit/loss of associates.

6.6.7 Net finance income/expenses

EUR thous.	2022	2021
Finance income		
Investment income	370	1,834
Net income from financial investments	928	13,421
Gains from foreign-currency transactions	40	107
Interest on tax refund	–	47
Other interest income	–	3
Other net finance income/finance expense (IFRS 9)	925	170
	2,263	**15,582**
Finance expense		
Interest expense on financial liabilities	-753	-883
Interest expense IFRS 16	-392	-378
Losses from foreign-currency transactions	-27	-24
Other net finance income/finance expense (IFRS 9)	-935	-118
Other interest expenses	-1,786	-8,432
	-3,893	**-9,835**
Net finance income/expense	**-1,630**	**5,747**

Net finance expenses came to EUR 1,630 thousand, compared with net finance income of EUR 5,747 thousand in the previous year, The net interest expense of EUR 3,893 thousand (previous year: EUR 9,835 thousand) results from interest expenses in connection with the adjustment of purchase price liabilities relating to

SPSW Capital GmbH, Lange Assets & Consulting GmbH and BV Holding AG (EUR -1,674 thousand).

The remaining net finance expenses of EUR 275 thousand include the fair value measurement of financial assets in accordance with IFRS 9.

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

EUR thous.	Note	2022	2021
Current income taxes	6.7.15	271	-1,287
Deferred income taxes	6.7.5	5,476	1,500
Income taxes		**5,747**	**213**

Deferred income tax assets were recognized in 2022 on unused tax losses of EUR 4,881 thousand (previous year: EUR 1,042 thousand). Based on the underlying Group budget with a forward range of five years, future Group profits will benefit from tax advantages derived from unused tax losses (see Note 6.7.5).

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.

Income taxes can be reconciled as follows with the expected income tax expenses/income which would have arisen on IFRS consolidated net profit before tax on the basis of an average tax rate of 31.8 % (previous year: 31.8 %) for the Group parent (LAIQON AG):

EUR thous.	2022	2021
Consolidated profit before tax	-16,288	6,419
Tax rate (LAIQON), %	31.80 %	31.80 %
Constructive tax income/expense	5,179	2,041
Tax-free income	–	13,015
Non-deductible operating expenses/accounting corrections	26	155
Non-recognized deferred income taxes on unused tax losses	–	–
Non-taxable share of profits of associates	–	–
Back tax payments/refunds for previous years	–	–
Trade tax reductions	–	-15,531
Other	541	-967
Income taxes	**5,747**	**-1,287**
Current tax rate	-35.28 %	20.05 %

As an incorporated entity, the Parent Company is subject to corporate tax of 15 % plus the solidarity surcharge of 5.5 % of the corporate tax owed plus trade tax of 16.45 % at an assessment rate of 470 % applicable in Hamburg, where the corporate headquarters are located. Overall, the net loss and deferred taxes result in a tax rate of -35.28 % (previous year: 20.05 %).

The tax rate is also influenced by external tax audits as well as taxes for earlier years. It is not possible to derive income taxes directly from consolidated profit before tax on the basis of the result. In addition, the profit and loss transfer agreements between some subsidiaries and LAIQON AG mean that no current taxes accrue for the subsidiaries at the Group level.

No new audits were commenced or announced in the year under review.

Deferred income tax liabilities were also recognized in profit or loss on the carrying amounts of financial assets measured at fair value through profit or loss, as well as for different carrying amounts due to recognition differences under IFRS compared with the tax base (see Note 6.7.5).

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 year: Basic earnings per share come to EUR -0.67 (previous year: EUR 0.39) based on the average number of shares issued in the year under review (15,215,498; previous year: 13,325,914).

EUR thous.	2022	2021
Net profit/loss attributable to equity holders of the parent company (EUR thous.)	-10,165	5,151
Average number of shares issued (in thousands)	15,215	13,326
Earnings per share (EUR per share)	**-0.67**	**0.39**

6.6.10 Dividend per share
Amounts available for payment as dividends are based on the net profit/loss for the year of LAIQON AG, which is calculated in accordance with German GAAP (HGB).

No dividend was distributed for the 2021 financial year due to the realignment of the Group. The Management Board of LAIQON AG will be asking the shareholders to approve the omission of a dividend for 2022 in order to stabilize the Company's equity base.

6.7 Notes on the consolidated balance sheet

6.7.1 Property, plant and equipment

Analysis of carrying amounts:

EUR thous.	Note	Buildings on leasehold land	Other equipment, operating and business equipment	Prepayments made	Right-of-use assets	Total
Amount on January 1, 2021						
Historical cost		2,277	2,054	32	9,931	14,294
Accumulated amortization		-424	-503	-32	-1,800	-2,759
Net carrying amount		**1,853**	**1,551**	**–**	**8,131**	**11,535**
2021						
Opening net carrying amount		1,853	1,551	–	8,131	11,535
Additions		–	221	43	–	264
Consolidation		-32	32	–	–	–
Disposals		–	-13	–	-25	-38
Amortization/depreciation	6.6.4	-196	-344	–	-1,088	-1,628
Changes to companies consolidated		–	–	–	–	–
Cumulative depreciation of disposals		–	-68	–	-130	-198
Closing net carrying amount		**1,625**	**1,379**	**43**	**6,888**	**9,935**
Amount on January 1, 2022						
Historical cost		2,245	2,294	43	9,906	14,488
Accumulated amortization		-620	-915	–	-3,018	-4,553
Net carrying amount		**1,625**	**1,379**	**43**	**6,888**	**9,935**
2022						
Opening net carrying amount		1,625	1,379	43	6,888	9,935
Additions		142	222	74	716	562
Disposals		–	-7	-117	–	-124
Amortization/depreciation	6.6.4	-239	-333	–	-1,387	-1,959
Changes to companies consolidated		–	98	–	1,353	1,450
Cumulative depreciation of disposals		–	20	–	–	20
Closing net carrying amount		**1,528**	**1,338**	**–**	**7,570**	**10,436**
Amount on December 31, 2022						
Historical cost		2,387	2,606	–	11,974	16,968
Accumulated amortization		-860	-1,268	–	-4,405	-6,532
Net carrying amount		**1,528**	**1,338**	**–**	**7,570**	**10,436**

Alongside the additions to assets in the reporting period, property, plant and equipment is particularly affected by right-of-use assets in accordance with IFRS 16. The right-of-use assets were valued at EUR 7,569 thousand as of the reporting date (December 31, 2021: EUR 6,888 thousand). The additions of EUR 222 thousand to assets in the year under review (December 31, 2021: EUR 221 thousand) mainly relate to purchases of IT hardware and office equipment at LAIQON AG.

6.7.2 Intangible assets

Analysis of carrying amounts:

EUR thous.	Note	Intangible assets	Goodwill	Total
Amount on January 1, 2021				
Historical cost		51,016	14,650	65,666
Cumulative depreciation, amortization and impairment losses		-9,476	–	-9,476
Net carrying amount		**41,540**	**14,650**	**56,190**
2021				
Opening net carrying amount		41,540	14,650	56,190
Additions		891	–	891
Disposals		–	–	–
Reclassified		–	–	–
Amortization/depreciation	6.6.4	-2,310	–	-2,310
Changes to companies consolidated		–	–	–
Cumulative depreciation of disposals		–	–	–
Closing net carrying amount		**40,121**	**14,650**	**54,771**
Amount on January 1, 2022				
Historical cost		51,907	14,650	66,557
Cumulative depreciation, amortization and impairment losses		-11,786	–	-11,786
Net carrying amount		**40,121**	**14,650**	**54,771**
2022				
Opening net carrying amount		40,121	14,650	54,771
Additions		902	–	902
Disposals		-2	–	-2
Reclassified		–	–	–
Amortization/depreciation	6.6.4	-2,718	–	-2,718
Changes to companies consolidated		17,704	19,638	37,341
Cumulative depreciation of disposals		–	–	–
Closing net carrying amount		**56,006**	**34,288**	**90,293**
Amount on December 31, 2022				
Historical cost		70,510	34,288	104,798
Accumulated amortization		-14,504	–	-14,504
Net carrying amount		**56,006**	**34,288**	**90,293**

Intangible assets increased mainly due to goodwill generated from business combinations and capitalized fund management contracts. Scheduled depreciation of the fund management contracts amounted to EUR 1,849 thousand.

6.7.3 Investments in associates accounted for using the equity method

Analysis of investments in associates accounted for using the equity method:

EUR thous.	Dec. 31, 2022	Dec. 31, 2021
Beginning of year	6,360	6,295
Additions	–	–
Disposals	-5,622	-118
Shares of profit assigned	281	300
Dividends	-449	-117
End of year	**570**	**6,360**

The proportionate earnings comprise the ongoing earnings of the general partner entities which are partially based on provisional financial statements. The distributions of the general partner entities came to EUR -449 thousand in the year under review (previous year: EUR -117 thousand). The disposal in 2022 mainly results from the full consolidation of Lange Assets & Consulting GmbH, see Note 6.2.2.

Please refer to Notes 6.4.1 and 6.6.6 for further details of the investments accounted for using the equity method.

6.7.4 Financial assets at fair value through profit and loss

EUR thous.	Dec. 31, 2022	Dec. 31, 2021
Shares in LAIC funds	249	1,102
Subsidiaries	1,079	9,852
Associates	716	1,674
	2,043	**12,628**

As of the reporting date, LAIQON AG held shares in five retail investment funds that had been initiated by LAIC Vermögensverwaltungsgesellschaft GmbH in 2020. The shares held in these investment funds were valued at EUR 25 thousand as of the reporting date (previous year: EUR 586 thousand).

Furthermore, the securities accounts held by LAIQON AG have a market value of EUR 224 thousand (previous year: EUR 516 thousand). All securities are measured at fair value through profit and loss. The shares in the funds and the securities accounts are classified as current assets.

Shares in affiliated companies and associates break down into current assets of EUR 614 thousand (previous year: EUR 8,807 thousand) and non-current assets of EUR 1,110 thousand (previous year: EUR 2,719 thousand).

The number of financial assets measured at fair value totaled 125 investments as of the reporting date (previous year: 141). The 22 (previous year: 24) non-consolidated affiliated companies are shelf companies as well as limited liability companies acting as general partners for investment funds. The investments comprise 73 shares (previous year: 87) which the LAIQON Group holds as the initiating shareholder of existing funds, 28 (previous year: 28) shares in insolvent entities previously recognized as associates and one share in secondary market funds to be held in the short term.

Performance of financial assets at fair value through profit and loss:

Investments in affiliated companies

EUR thous.	2022	2021
Beginning of year	9,852	602
Additions	30	550
Disposals	-8,823	-259
FVTPL	20	8,959
Impairment losses	–	–
End of year	**1,079**	**9,852**

Associates

EUR thous.	2022	2021
Beginning of year	1,674	1,817
Additions	2,351	958
Disposals	–	–
Changes to liabilities arising from liquidity distributions	–	-1,101
Changes in basis of consolidation	-3,309	–
End of year	**716**	**1,674**

Financial assets at fair value are recognized through profit and loss in accordance with IFRS 9.

6.7.5 Deferred income taxes

Deferred income tax assets and liabilities arise from temporary differences as follows:

	Dec. 31, 2022		Dec. 31, 2021	
EUR thous.	Deferred income tax assets	Deferred income tax liabilities	Deferred income tax assets	Deferred income tax liabilities
Financial assets at fair value through profit and loss	–	11	–	11
Intangible assets	–	17,000	–	12,103
Investments in associates accounted for using the equity method	–	41	–	41
Losses carried forward	15,003	–	10,192	–
Total	**15,003**	**17,052**	**10,192**	**12,155**

Deferred income tax assets were recognized in 2022 on unused tax losses of EUR 4,881 thousand (previous year: EUR 1,042 thousand).

The deferred income tax liabilities for financial assets at fair value through profit and loss are measured in accordance with IFRS 9.

The other deferred income tax liabilities relate to differences in the carrying amounts of balance sheet items.

On the basis of current knowledge, the temporary differences will be reversed as follows:

EUR thous.	Dec. 31, 2022	Dec. 31, 2021
Deferred income tax assets		
to be settled within 12 months	–	–
to be settled after more than 12 months	-15,003	-10,192
	-15,003	**-10,192**
Deferred income tax liabilities		
to be settled within 12 months	1,022	686
to be settled after more than 12 months	16,030	11,469
	17,052	**12,155**
Offsetting	**2,048**	**1,963**

Deferred income tax assets on unused tax losses will for the most part be realized after more than 12 months. The deferred income tax liabilities that will be realized within 12 months mainly comprise deferred income tax liabilities on the intangible assets acquired as part of business combinations. The deferred income tax liabilities realized after more than 12 months mainly include the acquired intangible assets.

Changes in deferred income tax liabilities in the current year are as follows:

Deferred income tax liabilities EUR thous.	Amount on January 1	Through profit and loss	Business combina-tions	Realized	Reclassi-fied	Amount on Decem-ber 31
2021						
Intangible assets	-12,561	–	–	458	–	-12,103
Investments in associates accounted for using the equity method	-41	–	–	–	–	-41
Financial assets at fair value through profit and loss	-11	–	–	–	–	-11
	-12,613	**–**	**–**	**458**	**–**	**-12,155**
2022						
Intangible assets	-12,103	–	-5,561	664		-17,000
Investments in associates accounted for using the equity method	-41	–	–	–		-41
Financial assets at fair value through profit and loss	-11	–	–	–		-11
	-12,155	**–**	**-5,561**	**664**		**-17,052**

As of the reporting date, preliminary calculations indicate the existence of unused corporate tax losses of around EUR 57.9 million (previous year: EUR 46.7 million) and unused trade tax losses of around EUR 61.3 million (previous year: EUR 52.5 million) for which deferred income tax assets have been recognized in some cases. Compared to the previous year, loss carryforwards increased due to the inclusion of the loss carryforwards of the LAIC subgroup. Deferred income tax assets were recognized on the loss carryforwards of the LAIC subgroup for the first time in 2022 on the basis of the earnings forecast.

6.7.6 Trade receivables and other receivables

EUR thous.	Dec. 31, 2022	Dec. 31, 2021
Current receivables		
Trade receivables	4,206	2,326
Other receivables and other assets	5,736	3,850
Receivables	**9,942**	**6,176**

There are no non-current receivables as of the reporting date. The increase in trade receivables and other receivables and assets is due to the business combinations.

6.7.8 Cash and cash equivalents

Reference should be made to Note 6.8.3 for the breakdown of the cash and cash equivalents of EUR 10,375 thousand (previous year: EUR 16,331 thousand).

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

At December 31, 2022, the fully paid-up share capital consists of 17,483,396 ordinary bearer shares with no par value, each with a nominal value of EUR 1.00. As a result of the cash and non-cash equity issues and the conversion of the 2019/22 convertible bond in 2022, share capital increased by EUR 4,157,482 to EUR 17,483,396. The current version of the articles of incorporation is dated December 7, 2022.

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

At the annual general meeting on August 31, 2020, Authorized Capital 2018 and the related arrangements 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 by issuing up to 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 also 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 (increase of EUR 130,000 over the previous amount) once or repeatedly on or before August 30, 2026. 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 4,394,141 shares once or repeatedly on or before June 11, 2024.

6.7.9.2 Share premium

The share premium stands at EUR 47,185 thousand as of the reporting date (previous year: EUR 17,764 thousand). The increase is presented in the statement of changes in equity and particularly arises from the cash and non-cash equity issues, the full conversion of convertible bond 2019/22 as well as the stock option program.

The stock option program for selected employees is classified as an equity-settled plan and results in an increase of EUR 196 thousand (previous year: EUR 248 thousand) in the share premium. A put option was agreed upon in connection with the sale of 20 % of the shares in LAIC Intelligence GmbH As of the reporting date, EUR 251 thousand (previous year: EUR 163 thousand) of this amount had been recognized as a non-current liability and deducted from equity.

6.7.9.3 Retained earnings

The consolidated net loss for the year of EUR 10,165 thousand (previous year: consolidated net profit of EUR 5,151 thousand) is to be allocated to retained earnings.

6.7.9.4 Non-controlling interests

Non-controlling interests amounted to EUR 5,471 thousand (previous year: EUR 5,099 thousand) as of the reporting date.

6.7.10 Net asset value attributable to other limited partners

This item results from the inclusion of the "Premium Portfolio Austria" fund in LAIQON's consolidated financial statements. It comprises the shares of those limited partners which 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 an internal interest rate on the disbursements originally forecast for the respective fund companies and ranges from 5.9 % to 6.1 % p. a., depending on the fund in question. Thereupon, the present values of payments to the limited partners are discounted at the effective interest rate. The remeasurement of net asset values using the effective interest rate method and adjustments to the payout forecasts gave rise to net interest income of EUR 15 thousand in 2022 (previous year: EUR 2 thousand).

Furthermore, 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 (previous year: EUR 5,000 thousand) are included in the net asset value attributable to the other limited partners.

6.7.11 Trade payables and other liabilities

EUR thous.	Dec. 31, 2022	Dec. 31, 2021
Non-current liabilities		
Other liabilities	5,628	9,204
	5,628	**9,204**
Current liabilities		
Trade payables	4,323	3,740
Liabilities arising from operating taxes and levies	415	180
Other liabilities	11,291	12,203
	16,029	**16,123**
Liabilities	**21,657**	**25,327**

Non-current other liabilities are mainly attributable to the discounted liability arising from the purchase price installments due to external third parties in the years 2020 to 2027 for the acquisition of SPSW Capital GmbH. Of this, an amount of EUR 6,900 thousand (previous year: EUR 7,476 thousand) is classified as current and EUR 3,800 thousand (previous year: EUR 7,495 thousand) as non -current. In addition, the discounted purchase price liability for the years from 2020 to 2026 in connection with the acquisition of Lange Assets & Consulting GmbH is included in non-current liabilities in an amount of EUR 1,140 thousand (previous year: EUR 1,510 thousand) and in current other liabilities in an amount of EUR 870 thousand (previous year: EUR 790 thousand). The aforementioned liabilities are to be adjusted in subsequent years in accordance with the applicable parameters. In addition, the purchase price liability arising from the acquisition of BV Holding AG is included in non-current (EUR 840 thousand) and current (EUR 290 thousand) liabilities. The purchase price liability arising from the acquisition of Selection Asset Management GmbH is included in non-current (EUR 573 thousand) and current (EUR 242 thousand) liabilities.

This also includes liabilities towards employees of EUR 4,034 thousand (previous year: EUR 2,560 thousand) such as vacation entitlement, termination benefits and outstanding bonus payments.

6.7.12 Financial liabilities

EUR thous.	Dec. 31, 2022	Dec. 31, 2021
Non-current financial liabilities		
Lease liability IFRS 16	6,650	6,396
Convertible bond	3,810	4,234
Loans	6,075	–
	16,535	**10,630**
Current financial liabilities		
Lease liability IFRS 16	1,507	1,075
Convertible bond	103	6,142
Loans	700	–
	2,311	**7,217**
Financial liabilities	**18,846**	**17,847**

Non-current financial liabilities include convertible bond 2020/24 of EUR 3,810 thousand (previous year: EUR 4,234 thousand). They also include the non-current and current part of the annuity loan. An annuity loan of EUR 6,500 thousand with a term expiring in March 2027 and a variable interest rate was taken out in April 2022. As the loan was used mainly to finance the acquisition of the Bayerische Vermögen Group, the shares in the acquired companies have been pledged as collateral. Covenants were agreed with the financing credit institution in connection with the annuity loan. Failure to observe the covenants entitles the bank to terminate the loan agreement in whole or in part and to call in the loan immediately. The covenants are to be formally reviewed for compliance for the first time upon the submission of the consolidated financial statements for 2022. The LAIQON Group currently assumes that individual covenants will not be complied with. However, as long as Group liquidity exceeds the outstanding loan amount, there is no breach of the covenants under the agreement. Group liquidity came to EUR 10.4 million as of December 31, 2022.

Furthermore, lease liabilities are reported under non-current and current financial liabilities in accordance with IFRS 16.

6.7.13 Liabilities to related parties

EUR thous.	Dec. 31, 2022	Dec. 31, 2021
Non-current liabilities		
Liabilities to shareholders, members of the Management Board and the Supervisory Board	997	2,561
	997	**2,561**
Current liabilities		
Liabilities to associated companies	62	62
Liabilities to shareholders, members of the Management Board and the Supervisory Board	2,489	3,439
	2,551	**3,501**
Liabilities	**3,549**	**6,062**

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

The liabilities of EUR 2,489 thousand (previous year: EUR 3,439 thousand) to shareholders and 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. The liabilities arising from the acquisition are to be adjusted in subsequent years in accordance with the applicable parameters.

6.7.14 Other provisions

Changes in other provisions

EUR thous.	1.1.2022	Utilized	Added	Reversed	Dec. 31, 2022
Non-current provisions					
Provisions for dismantling obligations	277	–	33	–	310
	277	**–**	**33**	**–**	**310**

Non-current provisions include the dismantling obligations for the office space rented in Frankfurt and Hamburg (EUR 310 thousand).

6.7.15 Income taxes

Current income tax assets chiefly comprise investment income tax assets still to be refunded by the tax authorities. Current income tax liabilities comprise the tax liabilities of the consolidated companies and of LAIQON AG.

6.8 Notes on the consolidated cash flow statement

6.8.1 Other non-cash transactions

EUR thous.	2022	2021
Stock option expense	134	351
Merger expenses	1,869	–
Other non-cash expenses and income	34	-942
	2,037	**-591**

6.8.2 Composition of cash and cash equivalents

Composition for the purposes of the cash flow statement:

EUR thous.	Note	Dec. 31, 2022	Dec. 31, 2021
Cash at banks		10,375	16,331
Cash in hand		1	–
		10,375	**16,331**

6.9 Other disclosures

6.9.1 Related-party transactions

Related parties comprise companies or individuals which control the LAIQON Group or exert significant influence on it or which are controlled by the LAIQON Group or on which it exerts significant influence. The conditions prevailing on the balance sheet date are decisive.

6.9.1.1 Associates

The outstanding liabilities to associates referred to in Note 6.7.13 result from outstanding limited-partnership capital contributions.

No interim profit or loss requiring elimination arose from transactions with associates in the periods shown.

6.9.1.2 Related persons

The Management Board comprised the following persons in 2022:

- Achim Plate, CEO since January 1, 2020, responsible for the development of corporate strategy 2023/25 2.0. In the LLOYD FONDS LIQUID ASSETS business segment he is responsible for the business areas LLOYD ASSETS, LAIC including sales, the LLOYD FONDS REAL ASSETS business segment as well as the corporate departments Finance, Human Resources, IR, PR and IT.

- Stefan Mayerhofer, CWO since April 1, 2022, responsible for the further growth of LLOYD VERMÖGEN.

- Michael Schmidt, CIO until April 31, 2022, responsible in the LLOYD FONDS LIQUID ASSETS business segment for the LLOYD FONDS business area, including sales, PR and communications, as well as Legal & Compliance. He is also responsible for the further development of the sustainability strategy.

Remuneration breaks down as follows:

2022 EUR thous.	Fixed	Variable	Benefits	Total
Achim Plate	378	220	31	629
Stefan Mayerhofer	270	397	5	672
Michael Schmidt	85	0	3	88
	733	**617**	**39**	**1,389**

2021 EUR thous.	Fixed	Variable	Benefits	Total
Achim Plate	360	220	31	611
Michael Schmidt	340	113	12	465
	700	**333**	**43**	**1,076**

In the year under review, the Supervisory Board comprised the following members:

- 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

Remuneration breaks down as follows in 2022 and 2021:

2022* EUR thous.	Fixed	Total
Dr. Stefan Rindfleisch	70	70
Jörg Ohlsen	43	43
Prof. Wolfgang Henseler	35	35
Oliver Heine	45	45
Peter Zahn	35	35
	228	**228**

2021*

EUR thous.	Fixed	Total
Dr. Stefan Rindfleisch	70	70
Prof. Wolfgang Henseler	35	35
Oliver Heine	53	53
Jörg Ohlsen	35	35
Peter Zahn	35	35
	228	**228**

* Amounts shown net

As in the previous year, remuneration payable to the members of the Supervisory Board is recognized as liabilities to shareholders, members of the Management Board and members of the Supervisory Board.

The LAIQON Group reimburses the members of the Supervisory Board for the expenses that they incur in the performance of their duties plus any value added tax payable on the remuneration and the reimbursement of expenses. The members of the Supervisory Board are covered by financial loss liability insurance in an amount which is in the interests of the LAIQON Group, less a deductible where applicable. The LAIQON Group pays the premiums for this insurance.

The following significant transactions were conducted with members of the Supervisory Board, related persons, or companies controlled or influenced by them:

- In the year under review, Prof. Wolfgang Henseler conducted a workshop on brand strategy in preparation of the adoption of the new LAIQON name. An amount of EUR 6 thousand was paid for this.

- In the 2nd quarter of 2019, an agreement was entered into with the law firm EHLERMANN RINDFLEISCH GADOW Rechtsanwälte Partnerschaft mbB concerning the reorganization of LAIQON AG's fund investments with maximum remuneration of EUR 55 thousand. An amount of EUR 37 thousand was paid in 2022. The Chairman of the Supervisory Board of LAIQON AG, Dr. Stefan Rindfleisch is a partner in this law firm.

6.9.2 Contingencies

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

As part of trusteeship business, shares valued at EUR 1,243,089 thousand (previous year: EUR 1,346,486 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 681,070 thousand (previous year: EUR 718,797 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 19,767 thousand as of the reporting date (previous year: EUR 25,115 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 19,767 thousand (previous year: EUR 25,115 thousand), equivalent to the risk-equivalent weighting, distributions of EUR 564 thousand (previous year: EUR 603 thousand) relate to investment entities that are currently in insolvency proceedings or in economic distress as well as investment entities which 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

6.9.3 Other financial obligations

There were no other financial obligations as of the reporting date.

6.9.4. Application of the exemption provided for in Section 264 (3) of the German Commercial Code.

53.10. Real Assets Treuhand GmbH, Hamburg, 53.10. Real Estate Management GmbH, Hamburg, and LAIQON Token GmbH make use of the exemption provided for in Section 264 (3) of the German Commercial Code.

6.9.5 Disclosures in accordance with Section 315e of the German Commercial Code

6.9.5.1 Auditors' fees

Fees payable to the auditors of the consolidated financial statements, Baker Tilly GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, in accordance with Section 314 (1) No. 9 of the German Commercial Code:

EUR thous.	2022	2021
Audit of annual financial statements	309	198
Other confirmation services	97	51
Tax consulting services	–	7
Other benefits	5	14
	411	**270**

6.9.5.2 Consolidated companies and shares held by the Group (Section 313 (2) of the German Commercial Code)

The disclosures on the consolidated companies are set out in Note 6.2.2.2.

Affiliated companies which are not included in the consolidated financial statements (Section 313 (2) No. 1 of the German Commercial Code):

Company	Share held by Group
Erste Lloyd Portfolio Verwaltung GmbH, Hamburg	100.0 %
Erste Lloyd Fonds TradeOn Portfolio Verwaltung GmbH, Hamburg	100.0 %
2. Lloyd Fonds Portfolio Verwaltung GmbH, Hamburg	100.0 %
Zweite Lloyd Fonds TradeOn Portfolio Verwaltung GmbH, Hamburg	100.0 %
Dritte Lloyd Fonds TradeOn Portfolio Verwaltung GmbH, Hamburg	100.0 %
Verwaltung LloFo Schifffahrtsgesellschaft mbH, Hamburg	100.0 %
Verwaltung LF-Flottenfonds GmbH, Hamburg	100.0 %
Verwaltung Lloyd Fonds Hotel Fleesensee GmbH, Hamburg	100.0 %
Zweite Verwaltung Lloyd Fonds Hotelportfolio GmbH, Hamburg	100.0 %
Verwaltung Lloyd Fonds Hotel Leipzig Nikolaikirche GmbH, Hamburg	100.0 %
Erste Verwaltung Lloyd Fonds Holland GmbH, Hamburg	100.0 %
Fünfte Verwaltung Lloyd Fonds Holland GmbH, Hamburg	100.0 %
Verwaltung Lloyd Fonds Immobilienportfolio Hamburg/Sylt GmbH, Hamburg	100.0 %
Verwaltung Lloyd Fonds Immobilienportfolio Köln GmbH, Hamburg	100.0 %
Verwaltung “Air Fuhlsbüttel/Air Finkenwerder” Flugzeugfonds GmbH, Hamburg	100.0 %
Verwaltung Lloyd Fonds Air Portfolio 3 GmbH, Hamburg	100.0 %
Verwaltung Lloyd Fonds Britische Kapital Leben VIII GmbH, Hamburg	100.0 %
Verwaltung MS “CCNI ARAUCO” Schiffahrtsgesellschaft mbH, Hamburg	51.0 %
Verwaltung Lloyd Fonds A380 Flugzeugfonds GmbH, Hamburg	100.0 %
Verwaltung Lloyd Fonds Bremen Domshof GmbH, Hamburg	100.0 %
Verwaltung MT “NEW YORK STAR” Schifffahrtsgesellschaft mbH, Hamburg	100.0 %
Lloyd Fonds UK VIII Limited, Malvern, England	100.0 %

Associates (Section 313 (2) No. 2 of the German Commercial Code):

Company	Share held by Group
Air Management GmbH, Offenbach am Main	50.0 %
Beteiligung MS “ANTONIA SCHULTE” Shipping GmbH, Nordenham	50.0 %
Lloyd Fonds Britische Kapital Leben II. GmbH, Kufstein, Austria	50.0 %
Lloyd Fonds Britische Kapital Leben III. GmbH, Kufstein, Austria	50.0 %
Lloyd Fonds Britische Kapital Leben IV. GmbH, Kufstein, Austria	50.0 %
Lloyd Fonds Britische Kapital Leben V. GmbH, Kufstein, Austria	50.0 %
Lloyd Fonds Britische Kapital Leben VI. GmbH, Kufstein, Austria	50.0 %
Lloyd Fonds Britische Kapital Leben VII. GmbH, Kufstein, Austria	50.0 %
Verwaltung MS "BAHAMAS" Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MS "CHICAGO" Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MS "LAS VEGAS" Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MS "MEMPHIS" Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MS "MIAMI" Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung "BAVARIAN SUN" Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung Global Partnership I GmbH, Aschheim	50.0 %
Verwaltung MS "BERMUDA" Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MS “BONAIRE” Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MS “CHRISTIANE SCHULTE” GmbH, Hamburg	50.0 %

Company	Share held by Group
Verwaltung MS “COMMANDER” Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MS “LLOYD DON GIOVANNI” Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MS “LLOYD DON CARLOS” Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MS “LLOYD DON PASCUALE” Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MS “LLOYD PARSIFAL” Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MS "METHAN" Schiffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MS "NATAL" Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MS “NELSON” Schifffahrtsgesellschaft mbh, Hamburg	50.0 %
Verwaltung MS "NEWARK" Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MS “NORO” Schifffahrtsgesellschaft mbh, Hamburg	50.0 %
Verwaltung "MS Sophie" Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MS "VEGA FYNEN" Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MS "Wehr Elbe" Schiffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MS "Wehr Weser" Schiffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MT “AMERICAN SUN” Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MT "ATHENS STAR" Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MT “CANADIAN SUN” Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MT “CARIBBEAN SUN” Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MT "Green Point" Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MT “HAMBURG STAR” Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MT “LONDON STAR” Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MT “MEXICAN SUN” Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MT “TAPATIO” Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MT “TEAM JUPITER” Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Verwaltung MT “TEAM NEPTUN” Schifffahrtsgesellschaft mbH, Hamburg	50.0 %
Zweite Beteiligung MS “SOFIA SCHULTE” Shipping GmbH, Hamburg	50.0 %

Company	Share held by Group
Vierte Verwaltung Lloyd Fonds Holland GmbH, Hamburg	49.0 %
Dritte Verwaltung Lloyd Fonds Holland GmbH, Hamburg	49.0 %
MS “BAHIA” Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	0.4 %
MS “BENITO” Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	0.4 %

The disclosures on associates are set out in Notes 6.2.2.3 and 6.9.1.1.

6.9.5.3 Other disclosures

Please refer to Note 6.6.3 for details of the average number of employees. Details of the active and former members of the Management Board and the Supervisory Board can be found in Note 6.9.1.3.

6.9.6 Events after the reporting date

Adoption of new LAIQON AG name

With the entry in the commercial register taking effect on January 2, 2023, the Company 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 successfully placed

On February 20, 2023, LAIQON AG issued convertible bond 2023/27 with a nominal amount of EUR 5.0 million and a term of four years.

It is subject to a coupon of 6.50 % per annum, 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).

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. The issue met with a very strong response from both existing shareholders and new investors. Overall, the issue was oversubscribed by an amount of EUR 3.15 million.

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

Joint venture established by BV Bayerische Vermögen GmbH 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 my 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.

Pending the successful completion of the procedure for obtaining a permit from BaFin in accordance with Section 15 of the German Securities Institution Act, the new joint venture plans to commence operations in the summer of 2023.

Sale of shares in V:KI GmbH
In February 2023, LAIC Capital GmbH sold a total of 30 % of the shares in V:KI GmbH, which had been incorporated in 2022 as part of sales partnerships.

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

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. For this purpose, the existing office in Munich with an original lease running until 2028 was terminated prematurely effective March 31, 2023. As of the reporting date, right-of-use assets of EUR 901 thousand and matching lease liabilities of EUR 1,040 thousand were recognized.

Hamburg, March 29, 2023

The Management Board of LAIQON AG

Achim Plate   Stefan Mayerhofer

7 Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the 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.

Hamburg, March 29, 2023

The Management Board of LAIQON AG

Achim Plate   Stefan Mayerhofer

Foyer on the 6th floor, Hamburg

8 Independent Auditor's Opinion

To LAIQON AG, Hamburg

Opinions

We have audited the consolidated financial statements of LAIQON AG (formerly Lloyd Fonds AG) and its subsidiaries (the Group), which comprise the consolidated balance sheet as of December 31, 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 until December 31, 2022 and the notes to the consolidated financial statements, including a summary of the significant accounting policies. In addition, we have audited the Group management report of LAIQON AG (formerly Lloyd Fonds AG) for the financial year from January 1 until December 31, 2022.

In our opinion based on the knowledge obtained in the audit,

- the enclosed consolidated financial statements comply in all material respects with the IFRSs as endorsed by the EU and the supplementary provisions of German commercial law in accordance with Section 315e (1) and (3) of the German Commercial Code and in the light of these provisions provide a true and fair view of the net assets and the financial position of the Group as of 31 December 2022 and of the results of the Group's operations for the period from 1 January until 31 December 2022, and

- the accompanying Group management report as a whole accurately reflects the Group's position. In all material respects, this Group management report is consistent with the consolidated financial statements, complies with German legal requirements and is a true reflection of the opportunities and risks associated with future development.

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

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the Group management report in accordance with Section 317 of the German Commercial Code, taking into account the accounting principles for the auditing of financial statements promulgated by the Institute of Public Auditors in Germany (IDW). Our responsibilities under those requirements, principles and standards are described in greater detail in the section entitled "Auditor's responsibilities for the audit of the consolidated financial statements and of the Group management report" in our auditor's report. We are independent of the Group entities in accordance with the requirements of German commercial and professional law and have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the Group management report.

Other information

The executive directors and the Supervisory Board are responsible for the other information. This other information comprises the remaining parts of the "Annual Report 2022" but does not include the audited consolidated financial statements and the Group management report and our opinion on these.

Our audit opinion on the consolidated financial statements and the Group management report does not include the other information and, accordingly, we do not express any opinion or draw any other types of conclusion on such information.

In connection with our audit, we are required to read the other information and to determine whether it

- exhibits any material inconsistencies over the consolidated financial statements, the Group management report or the findings of our audit, or
- contains any other material misrepresentations.

Responsibility of the executive directors and the Supervisory Board for the consolidated financial statements and the Group management report

The executive directors are responsible for preparing the consolidated financial statements in material conformance to the IFRSs as endorsed for application in the EU and the additional German statutory provisions to be applied in accordance with Section 315e (1) and (3) of the German Commercial Code and for ensuring that the consolidated financial statements provide a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with these requirements. Moreover, the executive directors are responsible for the internal controls that they consider necessary to ensure that the consolidated financial statements are duly prepared free of any material intentional (i. e. manipulation of the accounts and financial loss) or unintentional misrepresentations.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. As well as this, they are responsible for preparing the consolidated financial statements on the basis of the going-concern assumption unless they intend to liquidate the Group or discontinue its business operation or there is no realistic alternative to this.

Moreover, the executive directors are responsible for preparing the Group management report which provides a true and fair view of the Group's position, is consistent in all material respects with the consolidated financial statements, conforms to the German statutory provisions and suitably presents the opportunities and risks of the Group's future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a Group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the Group management report.

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

Auditor's responsibility for auditing the consolidated financial statements and the Group management report

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 of the German Commercial Code and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misrepresentations may arise from fraud or errors and are considered to be material if they can be reasonably expected to individually or collectively influence business decisions made on the basis of these consolidated financial statements and this Group management report by the users.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and the Group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the Group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- draw conclusions on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the Group management report or, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- evaluate the presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements provide a true and fair view of the group's assets, liabilities and financial performance in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) and (3) of the German Commercial Code.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the Group management report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our opinions.

- evaluate the consistency of the Group management report with the consolidated financial statements, its conformity with German law and the view of the Group's position it provides.

- perform audit procedures on the forward-looking statements promulgated by the Company's executive directors in the Group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the forward-looking information, and evaluate the proper derivation of the forward-looking information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

The translation of the German Annual Report has been prepared by LAIQON AG to the best of their knowledge and belief. In case of doubt, the German annual report shall be authoritative.

Hamburg, March 29, 2023

Baker Tilly GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

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

Open-space area, Munich

FINANCIAL CALENDAR

2023

Annual report for 2022	March 30
Annual general meeting	August 23
Report on the first half of 2023	August 31

All dates are provisional only
and subject to change without notice

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NB:

LAIQON AG's annual report for 2022 is available as a PDF file in the Investor Relations/Annual Report section at www.laiqon.ag.

The translation of the German Annual Report has been made to the best of our knowledge and belief. In case of any doubt, the German Annual Report alone shall be authoritative.

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