HALF YEAR

REPORT 2021

SELECTED KEY FIGURES OF THE COMPANY

in EUR

	H1 2021	H1 2020
Sales Revenue	**35,692,079.25**	39,606,624.23
Gross Profit	**4,044,326.45**	4,029,727.43
Gross Profit Margin (in %)	**11.33 %**	10.17 %
Other Operating income	**201,903.10**	**1,645,848.35**
EBITDA	**–1,328,548.38**	340,589.57
EBIT	**–1,598,992.63**	52,741.62
Net Result	**–1,682,357.78**	–792,156.70

LIABILITIES

– EUR 9.2 MILLION

Change as of June 30, 2021
compared to December 31, 2020

GROSS PROFIT MARGIN

+ 1.2

Percentage Points
H1 2021 compared to H1 2020

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THE THREE-PILLAR STRATEGY

ACADEMICS

Expansion to the entire education sector

- Expanding the target group and the offerings beyond software procurement and services in the academic market
- Particular focus on the K12-market
- Cooperations with non-standard software providers with exclusivity in the DACH education market

TARGET GROUP

Universities (up-selling)
Schools (K12)
Training Centers
Companies

IBM Silver Business Partner

CERTIFIED RESELLER Platinum

Gold Microsoft Partner

ACADEMIC MARKET

TARGET GROUP

Software Publisher, International Vendors (Security, Multimedia, Utilities, Education, Videos, Tools, OCR)

steinberg

GMAC

CyberLink

ECOMMERCE MARKET

ECOMMERCE SOLUTIONS

Repositioning and scalable growth

- Strengthening the three areas of expertise: Technology Platform, Merchant-of-Record Services and Payment Facilitation Services
- Focus on customer retention and new customer acquisition through flexible API-driven solutions
- In-house investments in technology updates

NEW PIPELINE

Innovative solutions and strategic partnerships

- Strategic partnerships within the EdTech sector
- Expansion of new client application into other geographies and cross-selling
- Positioning of asknet as a leading IT service provider in the academic market

TARGET GROUP

Universities (cross-selling)
Schools
Training Centers
Companies

Blackboard

DELL

EDUCATION MARKET

LETTER TO THE SHAREHOLDERS

CHRISTIAN HERKEL, CEO
FLORENT GUILLOMEAU, CFO

> "...we have put a lot of effort into developing a viable strategy with an ambitious vision enabling us to achieve profitable, sustainable and steady growth from 2023 onwards."

❯ Dear shareholders,

During the first six months of 2021, we have put a lot of effort into developing a viable strategy with an ambitious vision enabling us to achieve profitable, sustainable and steady growth from 2023 onwards. At our Annual General Meeting in July, we took the opportunity to present our new Three-Pillar Strategy. Notwithstanding the ongoing loss situation, we have since made important progress in implementing it.

On an operational level, the eCommerce Solutions business unit recorded a strong performance of its top customers in the first six months of 2021, resulting in revenues at prior-year level. As part of the modernization of our IT infrastructure, we are currently migrating our customer stores and portals to the AWS infrastructure as a service environment. This will especially increase the competitiveness of eCS by providing higher scalability and extended cloud functionalities. To reflect the new approach and business culture in this business unit, we have launched a new eCommerce Solutions website this week.

Furthermore, we have appointed with Aston Fallen and Thomas Garrahan two close and long-time partners as Managing Directors of the eCommerce Solutions business unit as of October 2021. With exciting projects ahead of us, we will enormously benefit from their outstanding eCommerce market and management expertise as well as the deep understanding of the needs of our company and its customers. Moreover, we have recruited new talents for our Business Development team as well as the IT department.

In the Academics business unit, we had to take into account a revenue decrease in the first half of 2021 due to a major tender lost as well as project postponements. Thanks to the expansion of our IBM partnership and increasing license sales, gross profit was slightly improved. Furthermore, we recently launched a new interesting project with an academic client from Switzerland, consisting of the distribution of software licenses from a major publisher. The new contract is an important milestone in driving our

expansion in the Swiss education market. The project was implemented in a remarkably short period of time and since 1st of September 2021, Swiss students are able to purchase the corresponding licenses through asknet.

Referring to the third pillar of our new strategy – the New Pipeline area – we pushed forward our expansion in the education market, working on new solutions with our Business Development team. Particular emphasis needs to be placed on the roll-out of our strategic partnership with Blackboard, where we started a number of proactive sales and marketing campaigns in order to promote digital learning environments in the DACH region.

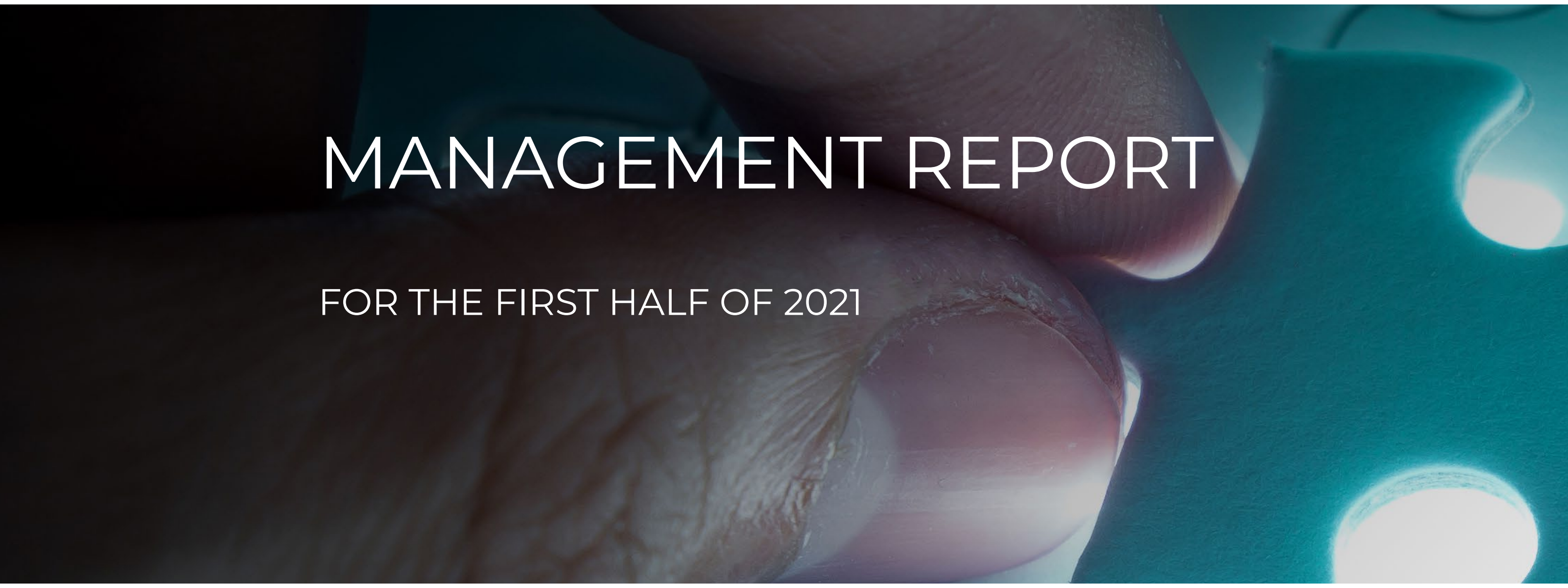
"The approval of the renewed capital requirement is an important decision to make for our shareholders, one which would allow us to implement our strategy on a sound financial basis and to create profitable growth in the medium-term."

All-in-all, we have taken significant steps to achieve the goals of our Three-Pillar Strategy, reaching break-even as early as 2022, and a clearly positive result for 2023. This positive mid-term outlook is based on a number of new customers and projects, which will lead to improved business development in the second half of 2021 and will have a strong impact next year. However, to be able to fully succeed in its implementation, cash flow-generating investments are necessary in both business units.

The approval of the renewed capital requirement is an important decision to make for our shareholders, one which would allow us to implement our strategy on a sound financial basis and to create profitable growth in the medium-term. This is why we see it as absolutely necessary to undertake a capital increase at this stage.

We therefore look forward with confidence to the upcoming Extraordinary General Meeting to explain our plans in more detail and to usher in a successful future together with you.

Yours Sincerely,
Christian Herkel, CEO Florent Guillomeau, CFO



MANAGEMENT REPORT

FOR THE FIRST HALF OF 2021

ECONOMIC REPORT

MACROECONOMIC AND INDUSTRY ENVIRONMENT

According to the latest World Economic Outlook (July 2021), the International Monetary Fund (IMF) forecasts that the global economy will increase 6.0 % in 2021 (2020: –3.2 %). The significant improvement in the economic situation is mainly based on vaccination successes and further monetary policy measures. Predictions are nevertheless subject to uncertainty, in particular due to a lack of predictability regarding the further course of the pandemic. For the industrialized countries, the IMF expects the gross domestic product to grow 5.6 % (2020: –4.6 %). In emerging and developing countries, the economy is predicted to rise 6.3 % (2020: –2.1 %). One of the most important sales markets for asknet Solutions AG is the USA. Here the IMF forecasts an increase of 7.0 % in gross domestic product (2020: –3.5 %). In Europe, the economy is likely to expand 4.6 % (2020: –6.5 %) with Germany growing 3.6 % (2020: –4.8 %).

The industries that are relevant for asknet Solutions AG include the international e-commerce markets and the global IT markets (software and IT services). The business activities of asknet's Academics business unit focus on the university sector in Germany, Austria and Switzerland (German-speaking region).

Despite the generally negative effects of the corona pandemic, the e-commerce sector benefited enormously from increasing digitization and changing customer behavior. According to eMarketer, an US market research company, this trend will continue in 2021. Worldwide retail e-commerce sales are expected to grow by 16.8 % to USD 4.9 trillion. In Western Europe eMarketer expects retail e-commerce sales to increase by 11.3 % to USD 659.8 billion. According to the German eCommerce and Distance Selling Trade Association (bevh) online sales of goods recorded growth of 23.2 % to EUR 45.2 billion in the first half of 2021.

The performance of the global IT markets will be characterized in 2021 by a strong increase in IT spending compared to last year, where companies were trying to cut costs being more cautious about further investments. According to the market research company Gartner, Global IT spending will grow by 8.6 % to USD 4.2 trillion in 2021. The IT service segment is among the top three highest growth areas for the current financial year, with expected spending to rise 9.8 % to USD 1.2 trillion. A strong driver in this segment is the boost in infrastructure-as-a-service. For enterprise software, Gartner analysts expect a growth rate of 13.2 % to

USD 599.0 billion. According to the industry association Bitkom, the German IT market will reach a market volume of EUR 178.2 billion by the end of the year, which corresponds to an increase of 4.0 %. The German IT services segment is expected to increase by 3.7 % in 2021. In the software segment, sales volume is likely to go up 6.0 %.

The higher education market, which is seeing a growing number of students enrolled, is a key driver for the Academics business unit. According to the German Federal Statistical Office, the number of students in the 2020/2021 winter semester recorded an increase of 1.8 % to 2,944,145. This increase is essentially attributable to a rise in the number of students at universities of applied sciences. Based on the higher education forecast by Statistics Austria, the total number of students in Austria in the winter semester 2020/2021 was projected at 327,440, compared to 338,120 in 2019/2020. In Switzerland, the Swiss federal office for statistics reported an increase of 5 % to 270,475 public students for the autumn semester 2020/2021.

With the adoption of its Three-Pillar Strategy, the entire education market and the market for educational technologies (EdTech) come into focus of asknet's business activities. Following the latest update by Holon IQ, a market intelligence platform for the global education market, the first six month of 2021 were a record half year in EdTech funding with USD 10 billions of investments. Holon IQ concludes that EdTech is integrating further and further into learning delivery and learning processes. Until 2025, an average growth rate of 16.3 % is expected, resulting in a global market size of USD 404 billion. The COVID-19 pandemic turned out to be a driver for EdTech solutions, leading not only to short term spending but also to a longer-term integration of digital technologies. This will accelerate the adoption of online education over the coming years. According to Holon IQ, part of this transition includes significant 'infrastructure catch-up' required for managing learning, data and administration as most schools and colleges are still at the very start of a long digital maturity journey.

Impact of the general market conditions on asknet Solutions AG

The acceleration of digitization that took place in the reporting period is supporting asknet's business model. As a global supplier of software solutions and IT services for the online distribution of digital and physical goods, asknet Solutions AG continues to benefit from the shift in retail sales to the internet and the changing user and payment behavior, which give the company the opportunity to win additional manufacturers operating in the fast-growing e-commerce markets as new customers. The company's eCommerce Solutions business unit, based on its proven solutions and continuous investments in technology, is generally well positioned to benefit from the changes in the e-commerce industry. However, the market segment for full-service solutions, which allow manufacturers to outsource the international online distribution of their products, is at an advanced stage of development and asknet Solutions AG is caught in fierce competition for market share with other e-commerce suppliers. By strengthening asknet's three fields of excellence – technology platform, merchant of record services, payment facilitation services and solutions – the company aims at strengthening its selling position in the eCS markets.

asknet Solutions AG's Academics business unit has an outstanding market coverage and high profile in software reselling at universities and research institutions in the German-speaking region and benefits from the continued increase in student numbers in these countries. It has to be noted, however, that margins for the sale of software licenses are continuously decreasing. The company therefore aims to leverage its outstanding customer relationships in order to extend its narrow focus on the university sector to the entire education sector.

THREE-PILLAR STRATEGY 2021–2023

Since the turn of the year 2020/21, an intensive strategy formulation process by senior management, Supervisory Board and external consultants was underway to develop a viable strategy including a clear roadmap. The main tasks were to reposition and elaborate the unique selling propositions of the existing business units, to develop a clear corporate vision and to define a precise strategy for the development of innovative products as well as for opening up new markets.

The result of this process is asknet Solutions AG's Three-Pillar Strategy and a clear roadmap for the years 2021 through 2023, which were presented shortly after the end of the reporting period at the Annual General Meeting on July 5, 2021.

- The first pillar of the strategy focusses on the plan to **expand the Academics business to the entire education sector**. The goal is a 75% increase of Academics gross revenue by the end of 2023.
- The second strategic pillar covers the **repositioning of the eCommerce Solutions business** and the achievement of scalable growth of the eCS platform. Here, asknet wants to achieve a doubling of eCS sales by the end of 2023.

- The third pillar addresses the **"New Pipeline" of products and services**. Here, the aim is to deliver innovative solutions and to establish new strategic partnerships. The New Pipeline developments are expected to contribute 15 % to the total company's gross profit in 2023.

The new strategy represents an ambitious growth vision combined with clear targets. Regardless of the ongoing restructuring in the current year with an expected decline in turnover and earnings, asknet intends to grow steadily in 2022, reaching break-even by the end of that year, and to achieve a clearly positive result in 2023.

BUSINESS PERFORMANCE OF ASKNET SOLUTIONS AG IN THE FIRST HALF OF 2021

In the first six months of 2021, the performance of the **Academics business unit** was marked by the further expansion of the IBM partnership through additional license sales. In June 2020, asknet Solutions AG had signed a follow-up of a university federal state framework agreement with IBM and German universities, covering the sale of licenses as well as the provision of value-added services until September 2024. Unfortunately, the company also had to take into account a sharp drop in the sale of licenses from a large software publisher, as it lost a major tender in the reporting period. On top of that, there was a postponement of the implementation of high-revenue and strategically important new projects, originally planned for the reporting period, to the second half of the year.

At the same time, the company was able to sign a contract with a new academic client from Switzerland in late summer 2021. The three-year contract consists of distributing licenses from a major publisher to Swiss students. asknet will deliver both the solution and corresponding services to provide Swiss students with a broad access to leading software at special conditions. Distribution has already started on September 1, 2021 and will contribute to a positive performance in this business unit in the second half of the year.

In the **New Pipeline area**, an experienced Business Development team pushed forward the expansion in the education market. This included the roll-out of the partnership with Blackboard Inc, signed in late 2020. In addition, opportunities are being explored in the fast-growing VR Learning segment.

In the **eCommerce Solutions (eCS) business unit**, the company continued to record positive developments with regards to top clients, profiting from the current online boom, even though a major release by an important eCS customer was postponed until next year. All in all, a stable revenue performance was achieved through the shops managed by asknet. Furthermore, organizational repositioning is progressing in great strides. As part of the Three-Pillar Strategy, the company will make significant investments in the area of technology development and continues to boost its capabilities by actively recruiting new IT talents. Of great significance for both business units is the current migration of the eCommerce and Academics infrastructure to Amazon Web Services (AWS), providing higher scalability and extended cloud functionalities. The decision to change the infrastructural setup was taken in the year 2020 as part of the strategic re-alignment of the eCS business unit. The project is already in full swing. As of August 2021, 23 portals and customer stores managed by the company have already been successfully migrated to the AWS infrastructure as a Service (IaaS) environment. Upgrading the data infrastructure enables new, efficient, and flexible ways of setting up and managing shops. This also includes a larger number of API integrations for analyzing and processing all kinds of data related to each transaction. Furthermore, a new eCS business unit website was launched in late September. This new website, reflecting the new approach and business culture in this business unit, will further enhance customer communication and client acquisition efforts.

On February 3, 2021, the company was informed that Digital Domain Capital Partners had acquired 19 % of the shares in asknet Solutions AG from the previous shareholder Digital Investment Platform. Digital Domain Capital Partners is a Luxembourg subsidiary of Digital Domain Holdings Limited. The Hong Kong-listed company is a global market leader in the field of visual effects, virtual reality, digital humans and virtual human technology. Following the acquisition of a stake in asknet Solutions AG, both companies defined key aspects of a strategic partnership. The key rationale behind the partnership is for Digital Domain Holding Limited to obtain access to the European Ed-Tech market, developing and selling educational products and technologies in close cooperation with asknet Solutions AG, and for asknet Solutions AG having access to great technology which will change the way of education as well as benefiting from the additional earnings potential. Both companies are continuously working on exploring and building a common business offering.

Extraordinary General Meeting and potential capital increase

On September 6, 2021, the company disclosed, that in the course of the preparation of the interim financial statements for the first six months of 2021 and the update of the full-year forecast for 2021, the Management Board of asknet Solutions AG concluded that a higher loss than originally assumed will have to be recorded for both the half-year as well as the full year 2021, resulting in a loss of more than half of the share capital and a deficit not covered by equity. A loss of half of asknet Solutions AG’s share capital triggers a legal obligation to invite shareholders to a General Meeting in accordance with Section 92 (1) of the German Stock Corporation Act (AktG). The Extraordinary General Meeting (EGM) will take place on October 15, 2021.

At the upcoming extraordinary general meeting, the Management Board and Supervisory Board are proposing to the shareholders a resolution on a cash capital increase with subscription rights, increasing the company’s share capital by EUR 1,961,295.00 by issuing up to 1,961,295 new shares, each with a pro rata amount of the share capital of EUR 1.00. The subscription price is set at EUR 3.50 per share.

Two investors, who are currently not yet shareholders of the company, have committed to subscribe for any and all shares not subscribed for by current shareholders in the course of the subscription offer. The net proceeds from the issuance, amounting to approximately EUR 7 million, shall be used to finance the on-going operational enhancements, and the implementation of the Three-Pillar Strategy, including upcoming strategic investments.

SALES REVENUES AND EARNINGS

ACTUAL DEVELOPMENT OF KEY FIGURES COMPARED TO ORIGINAL FORECAST

On September 6, 2021, the company's guidance was adapted. For the full financial year 2021, declining sales revenue and gross profit are now expected, leading to earnings before interest and taxes (EBIT) around the prior-year level. Originally, the company had been expecting a stable to single-digit percentage increase in sales revenues. Gross profit was expected to be slightly below the 2020 level. At the same time, a significant reduction in losses based on earnings before interest and taxes (EBIT) was expected compared to the previous year.

The following paragraph provides a detailed description of **asknet Solutions AG's sales and earnings performance**.

In the first six months of 2021, sales revenues decreased by 9.9 % to EUR 35.7 million. Other operating income stood at 0.2 million in the reporting period, mainly related to foreign currency gains.

In the previous year, this position had amounted to EUR 1.6 million, including net proceeds of EUR 1.5 million from the sale of Nexway Group AG (incl. its subsidiary Nexway SAS).

The decrease in sales revenues was followed by a corresponding decline in the cost of materials (purchased goods and merchandise as well as purchased services) of 11.0 % to EUR 31.6 million.

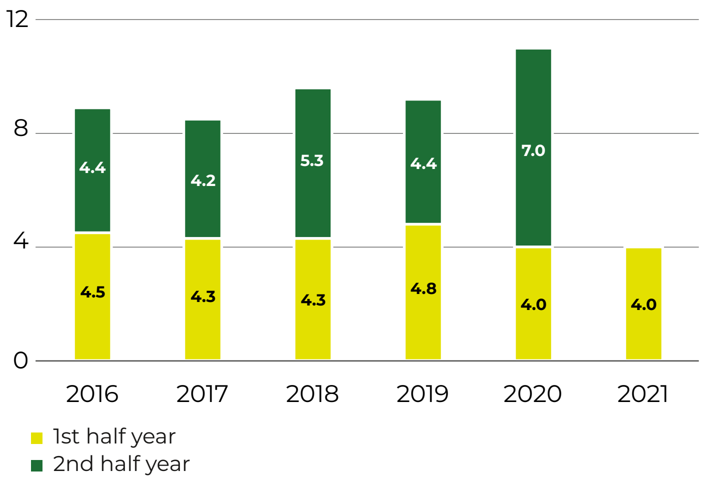
As the decrease in sales was mainly attributable to low margin business, gross profit (excluding the sale of Nexway Group AG and subsidiaries) slightly increased by 0.4 % and stood at EUR 4.0 million (H1 2020: EUR 4.0 million). The gross profit margin increased from 10.2 % in the prior-year period to 11.3 % in the first six months of 2021.

By hiring new employees in connection with the implementation of the new corporate strategy, wages and salaries increased by 3.7 %. Total personnel expenses slightly decreased by 0.6 % to EUR 2.0 million.

Other operating expenses increased again by 7.5 % to EUR 3.6 million due to legal costs in relation to legacy issues as well as high restructuring and investment costs of strategic initiatives within the framework of the company's Three-Pillar Strategy aimed to foster growth in the medium term.

From the above, the operating result including depreciation and amortization (EBITDA) amounted to EUR –1.3 million after EUR 0.3 million in the first six months of 2020. EBIT fell to EUR –1.6 million after EUR 0.1 million in the prior-year period. Following the repurchasing of the remaining outstanding bonds in the volume of EUR 6.0 million in April 2021, the interest expenses sharply decreased from EUR 0.9 million to EUR 0.2 million. Earnings before taxes (EBT) amounted to EUR –1.6 million (H1 2020: EUR –0.8 million). Net loss for the reporting period stood at EUR –1.7 million after EUR –0.8 million in the first half of 2020.

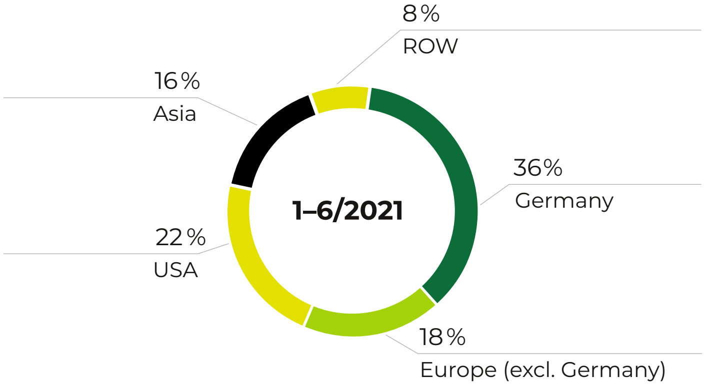
Gross profits, semi-annual
in € million

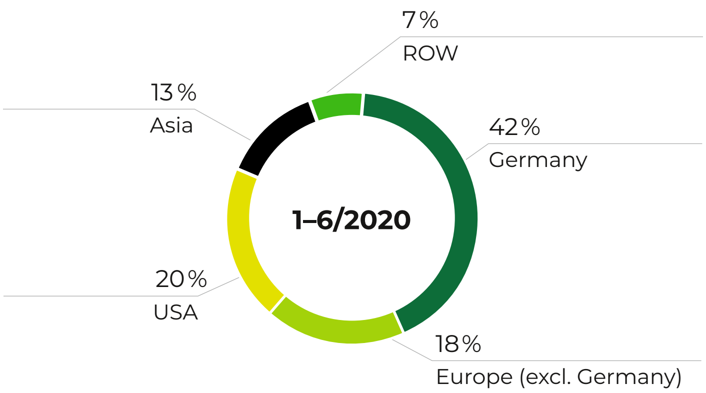


In the reporting period, asknet Solutions AG generated approximately 64 % of its revenues outside of Germany (H1 2020: 58 %). The share realized in European countries (excluding Germany) amounted to 18 %, as previous year. The US-share increased by 2 percentage points, from 20 % in the first six month of 2020 to 22 % in the first half of 2021.

The share of revenues generated in Asia increased from 13 % in H1 2020 to 16 % in the reporting period. With 36 % of all revenues generated in its home market, Germany decreased its position as the largest single market in terms of sales revenues (H1 2020: 42 %).

Sales revenues by regions
in %



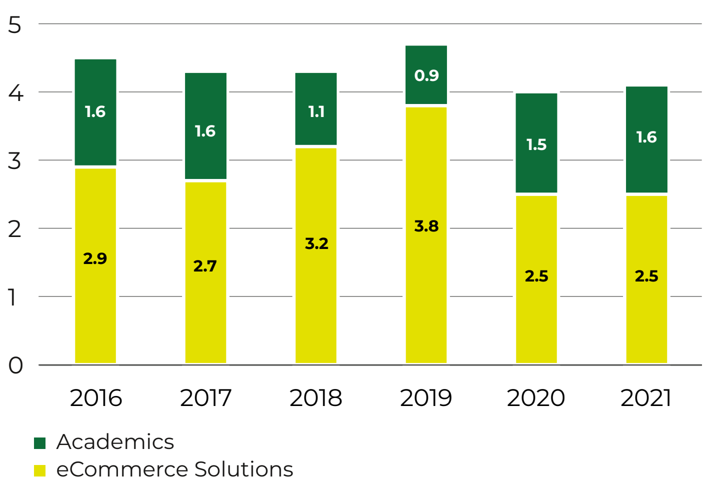


Performance of the business units

In the **eCommerce Solutions business unit**, a strong performance by its top clients compensated for the still perceptible effects of the restructuring the customer base. This process, initiated in 2019, lays a very solid base for sustainable future growth in the eCS business unit and its effects will continue to decrease in the coming periods. Total revenues stood at the prior-year level of EUR 25.8 million. Gross profit only slightly decreased by 1.3 % to EUR 2.5 million (H1 2020: EUR 2.5 million). Overall, the performance in the reporting period was only slightly below expectations, based on the postponement of a major release by an important customer, and the company expects a positive development in the second half of the year in this business unit.

In the **Academics business unit**, revenues strongly decreased by 28.0 % to EUR 9.9 million (H1 2020: EUR 13.8 million). This decrease is mainly attributable to a major tender lost in the reporting period as well as a postponement of the implementation of high-revenue and strategically important new projects, originally planned for the reporting period, to the second half of the year. As the lost tender was a low-margin procurement business and the IBM partnership was expanded through additional license sales, gross profit rose by 3.8 % to EUR 1.6 million.

Gross profits by business units, semi-annual
in € million



NET ASSETS AND FINANCIAL POSITION

At the balance sheet date, June 30, 2021, the company's total assets stood at EUR 19.4 million compared to EUR 31.8 million as of December 31, 2020.

The main reason for the decrease was the significant reduction in liabilities due to the repayment of outstanding bonds.

On the assets side, fixed assets were down 48 % to EUR 6.4 million. The value of intangible fixed assets decreased by 29 % to EUR 0.6 million. This trend is primarily attributable to the lack of capitalization of software development costs and the continued amortization of both purchased and self-developed software licenses. asknet Solutions AG has started capitalizing again research and development activities for the full financial year 2021.

The financial assets position, which consist of investments in affiliated companies, decreased from EUR 11.3 million as of December 31, 2020, to EUR 6.4 million as of the balance sheet date. This was driven by the partial sale of the bond of HLEE Finance S.a.r.L (ISIN: DE000A2R9ZC7) in the amount of EUR 5.7 million. This transaction, announced on April 9, 2021, was carried out in order to refinance the outstanding bond repayment.

At EUR 9.1 million, as of the balance sheet date, current assets were significantly lower than at the end of 2020 (December 31, 2020: EUR 15.7 million). Key driver was the reduction of liquidity. Cash and cash equivalents stood at EUR 2.8 million compared to EUR 8.5 million on December 31, 2020. In addition, trade receivables decreased by 38 % to EUR 3.0 million on the balance sheet date.

Lastly on the assets side, prepaid expenses were recognized in the amount of EUR 3.1 million (December 31, 2020: EUR 4.3 million), mainly stemming from the regional university framework agreement concerning the sale of IBM statistical software licenses signed in June 2020. As the included income for leasing of software licenses was deferred over the term of the agreement until the end of September 2024, the value of the prepaid expenses is reduced accordingly over the term.

On the equity and liabilities side, the net loss retained for the period lead to a decrease in equity from EUR 0.8 million at the end of 2020 to a deficit not covered by equity at the end of June 2021 in the amount of EUR –0.9 million. Representing a loss of more than half of the share capital, this triggered a legal obligation to invite shareholders to a General Meeting in accordance with Section 92 (1) of the German Stock Corporation Act (AktG), that will take place on October 15, 2021. asknet Solutions AG has already taken proactive measures to strengthen the balance sheet. Besides the expected improvement of the operational performance in the second half of 2021, the management has proposed to its shareholders at the upcoming EGM to carry out a capital increase, issuing up to 1,961,295 new shares, each with a pro rata amount of the share capital of EUR 1.00 and with a share price set at EUR 3.50. Following this measure and subject to the approval of the Extraordinary General Meeting to carry out the capital increase, this would result in proceeds of approximately EUR 7 million. The additional liquidity would be used to finance the on-going operational enhancements, and the implementation of the Three-Pillar Strategy, including upcoming strategic investments.

Other provisions declined by 19 % to EUR 2.8 million at the end of the reporting period. Liabilities were significantly reduced by 43 % to EUR 12.2 million. In order to clear the company's balance sheet from financial debt, asknet Solutions AG decided on April 9, 2021, to repurchase all the outstanding bonds in the amount of EUR 6 million and the subsequent redemption of all repurchased bonds in the total nominal amount of EUR 9 million. The early repurchase of the 6 % coupon bonds enabled asknet to de-leverage its balance sheet and improve its cash flow by eliminating EUR 540,000 in annual interest expenses.

As of June 30, 2021, trade payables decreased from EUR 11.5 million to EUR 8.1 million compared to December 31, 2020. This is mainly due to a large number of invoices from software publishers that were included in the full-year figures for 2020 and paid in January 2021.

Other liabilities stood at EUR 4.0 million at the end of the reporting period. This includes a potential obligation of the company to pay interest to the tax authorities in the amount of approximately EUR 764,000.00 on already paid VAT. This was recognized in 2020 under "other liabilities" accordingly. Against the background that the tax court of first instance had decided in favor of the company, the decision of the Federal Fiscal Court came as a surprise for the company. In the case of an obligation to pay interest on arrears in the amount, the company will assess claims for damages against former Management Board members and its tax advisors.

Deferred income decreased by 29 % to EUR 4.2 million as of June 30, 2021. This position consists of IBM software leases, being deferred over the term of the agreement until the end of September 2024. While the corresponding deferred income is gradually recognized on the income statement over the term, the deferred income balance sheet item decreases.

Financing is managed by asknet Solutions AG for itself and the Japanese, the US and the Swiss subsidiaries, which provides companies it owns with sufficient cash and cash equivalents. In the period under review, sufficient liquidity was always available.

CORPORATE BODIES

Management Board

On March 5, 2021, Florent Guillomeau was appointed as the new Chief Financial Officer (CFO) with an effective date as of June 1, 2021. Guillomeau is a seasoned international finance executive and directly oversees the departments of Finance and Accounting, Human Resources and IT Infrastructure. He follows Jan Schulmeister, who served as CFO of the company from June 5, 2020, until May 31, 2021.

Supervisory Board

At the Annual General Meeting, the candidates standing for election to the Supervisory Board of asknet Solutions AG were elected with a large majority by the shareholders in attendance. The previous members of the Supervisory Board were no longer available for re-election. Mr. Manfred Danner – Board Member of Mountain Alliance AG, Mr. Massimiliano Iuliano – Board Member of Youngtimers Asset Company AG (former Smith Circle AG) and Delegate of the Board of Directors of Youngtimers AG (formerly The Native SA), and Mr. Andreas Lammel, Executive Director and Head of Operations at CORESTATE Bank GmbH were elected as new members of the Supervisory Board. Following the Annual General Meeting, the new Supervisory Board elected Manfred Danner as its new Chairman and Massimiliano Iuliano as Deputy Chairman.

On September 20, 2021, Manfred Danner announced his resignation as Chairman of the Supervisory Board with effect from October 15, 2021. At the Extraordinary General Meeting on October 15, 2021, Christian Lagerling, an experienced senior executive and board professional, will stand for election as a new member of the Supervisory Board. The newly constituted Supervisory Board shall hold its first meeting following the EGM, electing its chairmen and vice chairmen.

EMPLOYEES

As of June 30, 2021, asknet Solutions AG had 61 employees (excluding trainees, temporary staff and without management board). During the first half of financial year 2021, the company employed an average number of 59 employees. The total number of staff employed by the Group as of June 30, 2021 (including management board) was 71 people (June 30, 2020: 73).

RISK REPORT

Given that the company's risk position has not changed compared to the assessment at the time of the preparation of the 2020 financial statements, please refer to the detailed description of the company's risks in the 2020 Annual Report.

FORECAST

ANTICIPATED MACROECONOMIC AND SECTOR-RELATED DEVELOPMENTS

In the second half of 2021 and going into the year 2022, the recovery of the global economy will continue. Predictions are nevertheless subject to uncertainty, in particular due to a lack of predictability regarding the further course of the pandemic. Regardless of global economic trends, the pandemic will continue to drive the shift to online commerce. In addition, customers are becoming increasingly familiar with online shopping in all areas of life. eMarketer expects continued double-digit growth in the coming years. In 2025, retail e-commerce sales are predicted to reach USD 7.4 trillion with a share of 24.5 % of all retail sales.

According to US analyst firm Gartner, worldwide IT spending will strongly increase in 2021. The IT service segment is among the top three highest growth areas, with expected spending to rise 9.8 % to USD 1.2 trillion. A strong driver in this segment is the boost in infrastructure-as-a-service. For enterprise software, Gartner analysts expect a growth rate of 13.2 % to USD 599.0 billion. According to the industry association Bitkom, the German IT market will reach a market volume of EUR 178.2 billion by the end of the year, which corresponds to an increase of 4.0 %. The German IT services segment is expected to increase by 3.7 % in 2021. In the software segment sales volume is likely to go up 6.0 %.

According to a forecast by the German Kultusministerkonferenz (KMK), the number of first-year students in Germany will remain stable at a high level until 2030. The number of first-year students is expected to be around 510,300 in 2030. According to a study conducted by Statistik Austria, the number of Austrian students will remain constant with 328,761 in 2039/2040. According to projections by the Swiss Federal Statistical Office, an average annual increase of 1.3 % is expected in the following years, which would lead to a total student number of 293,300 in 2029.

Holon IQ, a market intelligence platform for the global education market, expects an average annual growth rate of 16.3 % for the EdTech sector until 2025, resulting in a global market size of USD 404 billion.

COMPANY FORECAST

The focus of the company's further development is on the implementation of the Three-Pillar Strategy. To succeed in implementation, future-oriented, cash flow-generating investments are necessary in both Business Units.

These investments are associated with great opportunities. First of all, the expansion of the business activities to entire education sector is a very promising undertaking, reflected by strong market growth rates. The key driver is the major digital shortcomings in this area, that now require high investments. A successful repositioning of the eCS Business Unit, which includes the current move to of infrastructure to AWS, and the strengthening of the USPs creates the basis for scalable growth on the eCS platform. The proposed capital increase is intended to help ensure that the necessary investments are carried out quickly and in a purposeful manner, thus building the bridge to the Three-Pillar roadmap goals.

The approval of the renewed capital requirement is certainly not an easy decision for our shareholders. But in order to implement our strategy on a sound financial basis, the capital measure is absolutely necessary from our point of view.

The lowering of the full-year guidance beginning of September 2021 constitutes a clear confirmation of the importance and necessity of the Three-Pillar Strategy to set the path for and lead the company to profitability and sustainable, steady growth by 2023.

For 2021, the company expects that in the second half of the year, based on the successful start of several new client projects, the business situation will improve. Nevertheless, this upward trend will not fully compensate for the negative half-year result. For the full financial year 2021, the management thus expects declining sales revenue and gross profit, leading to earnings before interest and taxes (EBIT) around the prior-year level.

The Management Board confirms the target of generating growth in the coming two years, reaching break-even as early as 2022, and a clearly positive result for 2023. This positive mid-term outlook is based on a number of new customers and projects, which will lead to improved business development in the second half of 2021 and will have a strong impact next year.

Karlsruhe, September 30, 2021

asknet solutions AG
– The Management Board / Vorstand –

Christian Herkel, CEO
Florent Guillomeau, CFO

BALANCE SHEET

as of June 30, 2021
in EUR

		June 30, 2021	Dec 31, 2020
ASSETS			
A.	**Fixed Assets**		
I.	Intangible fixed assets		
1.	Self-created industrial property rights and similar rights	543,246.46	673,207.62
2.	Acquired industrial property rights and similar rights	94,479.24	220,246.44
		637,725.70	**893,454.06**
II.	Tangible fixed assets		
	Other equipment, operating and office equipment	55,711.08	67,160.72
III.	Financial assets		
	Shares in affiliated companies/Bonds	5,665,398.90	11,322,398.90
		6,358,835.68	**12,283,013.68**
B.	**Current Assets**		
I.	Inventories		
	Merchandise	9,924.11	14,236.50
II.	Receivables and other assets		
1.	Trade receivables	2,950,339.63	4,729,539.50
2.	Receivables from affiliated companies	905,770.70	392,597.47
3.	Other assets	2,368,348.96	1,528,992.73
		6,234,383.40	**6,665,366.20**
III.	Cash-in-hand, bank balance, cheques	2,849,211.37	8,508,154.62
		9,083,594.77	**15,173,520.82**
C.	**Prepaid Expenses**	**3,060,617.52**	**4,296,455.14**
D.	**Deficit not covered by equity**	**919,467.19**	**0.00**
		19,422,515.16	**31,752,989.64**

	June 30, 2021	Dec 31, 2020
EQUITY AND LIABILITIES		
A. Equity		
I. Subscribed capital	1,307,530.00	1,307,530.00
II. Capital reserve	5,526,519.77	5,526,519.77
III. Retained losses	–6,071,159.18	–4,475,315.66
IV. Net loss for the period	–1,682,357.78	–1,595,843.52
V. Deficit not covered by equity	919,467.19	0.00
	0.00	**762,890.59**
B. Provisions		
Other provisions	**2,832,456.57**	**3,490,739.72**
C. Liabilities		
I. Liabilities to banks	1,337.56	787.92
II. Bonds	0.00	6,000,000.00
III. Trade payables	8,105,036.54	11,539,197.06
IV. Liabilities to affiliated companies	71,447.14	210,698.86
V. Other liabilities of which taxes € 3,310,822.89 (prior year: € 1,847,964.98) of which relating to social security and similar obligations € 0.00 (previous year: € 5,690.01)	4,037,606.28	4,707,400.39
	12,215,427.52	**21,458,084.23**
D. Deferred Income	**4,166,610.07**	**5,833,254.10**
E. Deferred Tax Liabilities	**208,021.00**	**208,021.00**
	19,422,515.16	**31,752,989.64**

INCOME STATEMENT

January 1 until June 30
in EUR

		2021	2020
1.	**Sales revenues**	35,692,079.25	39,606,624.23
2.	Capitalized development activities	0.00	0.00
3.	Other operating income		
	a) Income from disposal of fixed assets	0.00	1,499,990.20
	b) Miscellaneous other operating income	201,903.10	145,858.15
		201,903.10	**1,645,848.35**
		35,893,982.35	**41,252,472.58**
4.	**Cost of materials**		
	a) Cost of purchased merchandise	27,870,198.55	30,840,667.87
	b) Cost of purchased service	3,777,554.25	4,736,228.93
5.	Personnel expenses		
	a) Wages and salaries	1,675,832.72	1,615,353.12
	b) Social security, post-employment and other employee benefit costs of which in respect of old age pensions € 694,34 (previous year € 988,32)	300,624.94	372,807.86
6.	Amortization and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	270,444.25	287,847.95
7.	Other operating expenses	3,598,320.27	3,346,825.23
		–1,598,992.63	**52,741.62**
8	Interest and similar income	139,573.00	74,754.28
9.	Interest and similar expenses	180,435.86	941,153.60
10.	Taxes on income and earnings	–42,502.29	21,501.00
11.	**Earnings after taxes**	**–1,682,357.78**	**–792,156.70**
12.	Other taxes	0.00	0.00
13.	**Net result**	**–1,682,357.78**	**–792,156.70**

NOTES
FOR THE PERIOD ENDED JUNE 30, 2021

ACCOUNTING PRINCIPLES

General information

The present half year financial statements of asknet solutions AG, headquartered in Karlsruhe (Local Court of Mannheim, HRB 108713), were prepared in accordance with section 242 et seq. and section 264 et seq. of the German Commercial Code (HGB – Handelsgesetzbuch) as well as the pertinent regulations of the German Stock Corporation Act (AktG – Aktiengesetz).

The financial year is the calendar year.

The income statement has been prepared using the total cost accounting method.

We have partly incorporated the additional disclosures required for individual items into the notes.

Accounting and reporting methods

The accounting and valuation methods have remained unchanged from the previous year.

Internally generated commercial property rights and similar rights and assets are capitalized at cost (development costs) provided that there is at least a high probability on the balance sheet date that an asset will actually be created. The cost of production comprises the individually attributable costs from the consumption of goods and the utilization of services. Internally generated commercial property rights and similar rights and assets are written off systematically over their expected useful lives on a pro rata temporis basis using the straight-line method.

Capitalized development costs are written off over the corresponding useful life using the straight-line method.

Acquired intangible fixed assets are carried at cost and, if they have a finite useful life, are amortized in accordance with the term of their useful lives.

Tangible fixed assets are carried at their acquisition or production cost and are subject to scheduled depreciation (straight-line method) in accordance with the expected useful life.

Low-value assets are fully written off in the year of acquisition.

All other additions to tangible fixed assets are written down on a prorata temporis basis.

In the case of **financial assets**, shares are carried at acquisition cost. Advance payments made in the previous year are stated at their face value.

Inventory is carried at the lower of cost or market. Appropriate write-downs have been recognized for all identifiable inventory risks that result from reduced marketability and lower replacement costs. Apart from customary retention of title, inventories are free of third-party rights.

Receivables and other assets are carried at their face value. Adequate specific provisions are allowed for all items that carry risk. Write-downs to cover the general credit risk were not made.

Cash in hand and **bank balances** are recognized at their face value on the balance sheet date.

Prepaid expenses include payments made prior to the reporting date if they represent expenses for a specific period after that date.

The **subscribed capital** and the **capital reserves** are carried at their face value. The capital reserve was formed in accordance with section 272 paragraph No. 4 HGB.

Other provisions account for all contingent liabilities and impending losses from pending transactions. They are recognized at their settlement values required according to prudent commercial judgment (in other words taking into consideration future cost and price increases).

Liabilities are carried at their settlement values.

Payments received before the reporting date are recognized as **deferred income** if they constitute income for a certain period after this date.

Deferred taxes resulting from differences between the commercial balance sheet and the tax balance sheet are recognized if they are expected to be reduced in later financial years. Deferred tax assets and liabilities are offset. If deferred tax assets exceed deferred tax liabilities as of the balance sheet date, no use is made of the capitalization option provided for in section 274 paragraph 1 sentence 2 HGB.

All **foreign currency assets and liabilities** were translated into euros on the reporting date using the respective mean exchange rate. If these had remaining term of more than one year, the realization principle (section 252 paragraph no. 4 half-sentence 2 HGB) and the historical cost principle (section 253 paragraph 1 sentence 1 HGB) were complied with. Current foreign currency receivables (remaining term of up to one year) as well as cash and cash equivalents or other current foreign currencies assets are translated at the mean exchange rate on the balance sheet date in accordance with section 256a HGB.

EXPLANATORY NOTES TO THE BALANCE SHEET

Shareholdings

The following table shows the current shareholdings of asknet Solutions AG:

	Last available financial statements	Currency	Share in %	Equity in local currency	Net result in local currency
asknet Inc., San Francisco/USA	31.12.2020	TUSD	100 % (direct)	203	8
asknet KK, Tokio/Japan	31.12.2020	TYEN	100 % (direct)	28,019	1,751
asknet Switzerland GmbH, Uster/Switzerland	31.12.2020	TCHF	100 % (direct)	26	0.5
asknet eCommerce Solutions GmbH, Karlsruhe/Germany	31.12.2019*	TEUR	100 % (direct)	20	–8

* Latest statutory accounts, currently the company is dormant. Company name has been changed from Nexway Deutschland GmbH to asknet eCommerce Solutions GmbH on February 11, 2021

Receivables

As in the previous year, receivables and other assets have a remaining maturity of up to one year, with the exception of the “Solidarbürgschaft” (joint security) of the Swiss Federal Tax Administration (TEUR 23.7).

All receivables from affiliated companies are trade receivables.

Other assets

The increase in other assets is mainly due to accrued VAT.

Cash and cash equivalents

Of our bank balances, TEUR 163 are reserved as collateral for aval commitments.

Prepaid expenses and deferred income

Deferred income amounting to TEUR 4,166 relate solely to the IBM SPSS-Software contract with a consortium of German universities and higher education institutions (the university federal state framework agreement). Since the contract is about the lease of the software licences, income was deferred over the contract period until end of September 2024.

Corresponding to the deferral of income, the licences acquired from IBM are posted in prepaid expenses for TEUR 2,938 as at June 30, 2021. The related charges will also be recognized over the contract period until end of September 2024.

Equity

Subscribed capital

The amount of subscribed capital remained unaltered in the reporting period, standing at TEUR 1,307 as of June 30, 2021.

Authorized capital

By resolution of the Annual General Meeting of Shareholders on August 14, 2020, the Management Board was authorized, with the approval of the Supervisory Board, to increase the company’s share capital until August 13, 2025 by a total of up to EUR 653,765.00 by issuing new registered no-par value shares on one or more occasions against cash contributions and/or contributions in kind (Authorized Capital 2020). Shareholders are generally entitled to subscription rights. However, the Management Board is authorized, with the approval of the Supervisory Board, to exclude shareholders’ subscription rights in whole or in part.

Contingent capital

The share capital of the company is conditionally increased by up to a nominal amount of EUR 1,500,000.00, divided into up to 1,500,000 no-par value registered shares (Conditional Capital 2016). The conditional capital increase will only be carried out to the extent that the holders or creditors of option or conversion rights or those obliged to exercise the conversion/option rights from warrant bonds, convertible bonds, profit participation rights or participatory notes (or combinations of these instruments) issued against cash contributions by the company or a subordinated group company of the company on the basis of the authorization resolved by the shareholders’ meeting on August 23, 2016, or a subordinate group company of the company on the basis of the authorization resolved by the Annual General Meeting on August 23, 2016, to exercise their option or conversion rights or, insofar as they are obligated to exercise their conversion/option rights, to fulfill their obligation to exercise their conversion/option rights or, insofar as the company exercises an option, to grant no-par value shares of the company in whole or in part instead of payment of the cash amount due, insofar as in each case no cash settlement is granted or treasury shares are used for servicing. The new shares shall be issued at the option or conversion price to be determined in each case in accordance with the aforementioned authorization resolution. The new shares shall be entitled to profit participation from the beginning of the fiscal year in which they are created, provided that no distribution has been made at the time of issue. Otherwise, they are entitled to dividends from the beginning of the fiscal year following their issue; to the extent legally permissible, the Management Board may, with the approval of the Supervisory Board, determine the profit participation of new shares for this purpose and also, notwithstanding Section 60 (2) German Stock Corporation Act (AktG), for a fiscal year which has already expired. The Management Board is authorized, with the consent of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase. By resolution of the extraordinary shareholders' meeting on August 23, 2016, the Management Board was authorized, with the consent of the Supervisory Board, to issue bearer or registered bonds with warrants, convertible bonds, profit participation rights and/or participating bonds or a combination of these instruments (collectively "notes") on one or more occasions on or before August 22, 2021 for a total nominal amount of up to EUR 3,000,000.00 with a maximum term of 10 years and to grant the holders or creditors of bonds with warrants or participatory certificates with warrants or bonds with warrants option rights or obligations or to grant the holders or creditors of convertible bonds or convertible participatory certificates or convertible bonds conversion rights or obligations for up to 1,500,000 new no-par value registered shares of asknet Solutions AG with a pro rata amount of the share capital of up to EUR 1,500,000.00 in total in accordance with the terms and conditions of these notes. In addition to euros, the notes may also be issued in the legal currency of an OECD country, limited to the equivalent value in euros. They may also be issued by a subordinated group company of asknet Solutions AG; in this case, the Management Board is authorized, with the consent of the Supervisory Board, to assume the guarantee for the notes on behalf of asknet Solutions AG and to grant or impose option and conversion rights or obligations on the holders or creditors in respect of no-par value registered shares of asknet Solutions AG.

Result for the period and deficit not covered by equity

Whereas equity and capital reserve accounts have not been depleted, the negative results of the half-year 2021 have altogether generated a loss not covered by equity of TEUR 919 (cumulated current year loss of TEUR 1,682).

Other provisions

Other provisions primarily consisted of debt collection claims, leave entitlement and special bonuses, contributions to professional associations, year-end accounting costs, and tax accountant fees, as well as outstanding vendor invoices.

Liabilities

Bonds

On April 9, 2021, asknet Solutions AG with approval of the Supervisory Board, has resolved on the repurchase of all of its outstanding bonds (ISIN: DE000A3H2VS8, WKN: A3H2VS) in the total nominal amount of EUR 6 million to be completed simultaneously with the first interest payment due on April 11, 2021. The three-year bonds, which were originally issued in the total nominal amount of EUR 9 million, were issued in October 2020 in order to refinance the existing short-term debt raised in April 2020. Subsequently, asknet repurchased EUR 3 million of the bonds in November 2020 and with this current transaction will complete the repurchase of the entire EUR 9 million of its bonds, which will subsequently be redeemed early.

The early repurchase of the 6 % coupon bonds enables asknet to de-leverage its balance sheet and improve its cash flow by eliminating EUR 540,000 in annual interest expenses.

To finance the bond repurchase, asknet has used the proceeds from the partial sale of the HLEE Finance S.a.r.L bonds (ISIN: DE000A2R9ZC7) for the amount of approximately EUR 5.75 million as well as available liquidity of asknet Solutions AG. The transaction cleared the company's balance sheet from any financial debt.

Trade payables and liabilities to affiliated companies

As in the previous year, all liabilities have remaining maturity of up to one year and are not collateralized. All liabilities to affiliated companies are trade liabilities.

Other liabilities

Other liabilities increased mainly due to financial liabilities due to financing of the acquisition of IBM SPSS Licences that were acquired within the university federal state framework agreement concluded in June 2020.

Deferred taxes

As of the balance sheet date June 30, 2021, using the comprehensive balance sheet method, there was a deferred tax liability surplus of TEUR 208. The differences between the commercial and tax balance sheets, which result in deferred tax liabilities, mainly result from tax prohibitions (capitalisation of self-created intangible assets of fixed assets in the tax balance sheet is not allowed).

The deferred tax balances and changes to them in the 2021 first half year are shown below:

	Dec 31, 2020 TEUR	Addition[1] TEUR	Disposal[1] TEUR	June 30, 2021 TEUR
Deferred tax liabilities	–208			–208
Total	–208	0	0	**–208**

[1] Recognized in "Income tax"

EXPLANATORY NOTES TO THE INCOME STATEMENT

Sales revenues

in TEUR	1–6/2021	1–6/2020
SALES REVENUES BY BUSINESS UNIT		
eCommerce Solutions	25,757	25,805
Academics	9,935	13,802
	35,692	**39,607**
SALES REVENUES BY REGION		
Germany	12,903	16,653
Europe (excluding Germany)	6,364	7,147
USA	7,774	7,820
Asia	5,702	5,109
Other countries	2,949	2,878
	35,692	**39,607**

Other operating income

Other operating income included mainly gains from currency conversion, amounting at TEUR 183 (previous year: TEUR 146).

Other operating expenses

Miscellaneous other operating expenses include expenses from currency translation amounting to TEUR 172 (previous year: TEUR 137).

Amortization and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets

The development costs capitalized in 2017 were amortized for the first time in 2018 for the amount of TEUR 328. The item also included impairment losses on development costs in the amount of TEUR 839 in 2018. The remaining residual book value was further amortized on a scheduled basis in 2019 and 2020.

Interest expenses

The interest expense for the first half year of 2021 and its decrease as compared to the previous year is mainly related to the ruling of the German Federal Court of Finance. The amount of TEUR 764 representing interest in arrears on already settled VAT claims concerning past periods.

The main interest expense in the reporting period was related to the HLEE Finance Bonds, repurchased in April 2021, and recognized interest costs related thereto.

Income tax

Income tax relates mainly to foreign withholding tax amounting at TEUR 42.

OTHER DISCLOSURES

RESEARCH AND DEVELOPMENT COSTS

asknet Solutions AG started capitalizing again research and development activities from 2021.

OTHER FINANCIAL OBLIGATIONS

There are other financial obligations from rental and lease agreements amounting to TEUR 271.

in EUR	Rent	Leasing	Total
Due within one year	175,168	7,137	182,305
Due within one to five years	43,738	44,774	88,512
Due after five years	0	0	0
	218,906	51,911	**270,817**

The rental agreements for real estate relate to the Company's headquarters in Germany. The leases are so-called operating leases, which do not result in the recognition of the properties by the Company. The advantage of these contracts is the lower capital commitment compared to acquisition and the elimination of the exploitation risk. Risks may arise from the term of the contracts if the properties can no longer be fully used, but there is currently no indication of this.

EMPLOYEES

As of June 30, 2021, asknet Solutions AG had 61 employees (excluding trainees, temporary staff and without management board). During the first half of financial year 2021, the company employed an average number of 59 employees. The total number of staff employed by the Group as of June 30, 2021 was 71 people (previous year: 73).

CORPORATE BODIES

Management Board

In the first six months of 2021, the Management Board was composed of:

- Christian Herkel, Chairman of the Management Board/CEO, Rastatt (Germany), from June 5, 2020
- Jan Schulmeister, Member of the Management Board/CFO, Winterthur (Switzerland), from June 5, 2020 until May 31, 2021
- Florent Guillomeau, Member of the Management Board/CFO, Karlsruhe (Germany), from June 1, 2021

Supervisory Board

The following members served on the Supervisory Board in the financial year until July 5, 2021

- Aston Anthony Fallen (Chairman of the Supervisory Board), Chairman/CEO of C2A2, resident in Frankfurt am Main (Germany)
- Thomas Garrahan, Executive Director of AlphaQ Ltd, resident in Gingins (Switzerland)
- Matthew Baile, CEO of DirecSource Asia, resident in Hong Kong

The current Supervisory Board, elected by the Annual General Meeting 2021 on July 5, 2021, is composed as follows:

- Manfred Danner, Chairman of the Supervisory Board (since July 5, 2021); Chairman of the Management Board of Mountain Alliance AG, resident in Moos (Germany)
- Massimiliano Iuliano, Deputy Chairman of the Supervisory Board (since July 5, 2021); Member of the Board of Directors of Youngtimers Asset Company AG and Delegate of the Board of Directors of Youngtimers AG, resident in Ettingen (Switzerland)
- Andreas Lammel, Member of the Supervisory Board (since July 5, 2021); Executive Director/Head of Operations of Corestate Bank GmbH, resident in Bad Schwalbach (Germany)

Shareholders and group affiliation

On July 22, 2020, C2A2 Corp AG, Gingins/Switzerland has notified the company that it now owns indirectly more than a quarter of the shares of the company since the shares held by FBNK Finance Sàrl of asknet Solutions AG have to be attributed to her.

Mister Aston Fallen, Frankfurt/Germany also has notified the company on July 22, 2020 that he now holds more than a quarter of the shares of asknet Solutions AG since the shares held by FBNK Finance Sàrl have to be attributed to him.

COVID-19

The World Health Organization (WHO) declared an international health emergency at the end of January. Since March 11, 2020, the WHO has classified the spread of the coronavirus (COVID-19) as a pandemic. Although the corona crisis and its impact on the economy and the companies is not yet finished, it does not seem so far to have a material impact on the company. One of the outcomes is on the contrary an increase in the demand of digitization of education as well as eCommerce solutions. Both domains are core competencies of asknet Solutions AG.

POST BALANCE SHEET EVENTS

Court ruling in favor of asknet Solutions AG on liability of former Management Board member resulting in payment obligation in the total amount of EUR 618,009.93 plus interest

On August 2, 2021, asknet Solutions AG was informed that the District Court in Karlsruhe ruled in favor of the company regarding the liability of a former member of the Management Board towards asknet for the non-payment of sales tax in Norway by the company in the years 2012 to 2016. The former member of the Management Board has been ordered by the court to pay a total amount of EUR 618,009.93 plus interest to asknet Solutions AG.

The former member of the Management Board filed an appeal against the verdict. If the appeal is unsuccessful, the verdict would result in extraordinary income as well as additional liquidity for asknet, compensating for losses the company has had due to corresponding provisions and advanced payments in 2016. The Norwegian Authorities concluded their investigation in 2017 approving asknet's active participation and transparency in clarifying the matter. Both parties will receive the written judgment within the next days and could file an appeal against the decision within one month.

asknet Solutions AG: Notice of loss pursuant to Section 92 (1) of the German Stock Corporation Act (AktG) and adjustment of the annual forecast

On September 6, 2021, the company disclosed, that in the course of the preparation of the interim financial statements for the first six months of 2021 and the update of the full-year forecast for 2021 the Management Board of asknet Solutions AG concluded that a higher loss than originally assumed will have to be recorded for both the half-year as well as the full year 2021. A loss of half of asknet Solutions AG's share capital triggers a legal obligation to invite shareholders to a General Meeting in accordance with Section 92 (1) of the German Stock Corporation Act (AktG).

Furthermore, the guidance was adapted. For the full financial year 2021, declining sales revenue and gross profit are now expected, leading to earnings before interest and taxes (EBIT) around the prior-year level. Originally, the company had been expecting a stable to single-digit percentage increase in sales revenues. Gross profit was expected to be slightly below the 2020 level. At the same time, a significant reduction in losses based on earnings before interest and taxes (EBIT) was expected compared to the previous year.

On September 21, 2021, the Management Board and the Supervisory Board of asknet Solutions AG resolved on proposing to shareholders at the upcoming EGM a resolution to increase the company's share capital by EUR 1,961,295.00 by issuing up to 1,961,295 new shares, each with a pro rata amount of the share capital of EUR 1.00. The EGM is to be convened for October 15, 2021.

The current shareholders will be granted statutory subscription right by way of an indirect subscription right at a subscription ratio of 2:3, i.e. 2 existing shares entitle to subscribe for 3 new shares. The subscription price is set at EUR 3.50 per share. The subscription offer shall be carried out without a prospectus but with a securities information sheet (Wertpapierinformationsblatt) that needs to be approved by BaFin (Bundesanstalt für Finanzdienstleistungsaufsicht). Two investors, who are currently not yet shareholders of the company, have committed to subscribe for any and all shares not subscribed for by current shareholders in the course of the subscription offer.

The net proceeds from the issuance, amounting to approximately EUR 7 million, shall be used to finance the on-going operational enhancements, and the implementation of the Three-Pillar Strategy, including upcoming strategic investments.

On September 21, 2021, Manfred Danner announced his resignation as Chairman of the Supervisory Board with effect from October 15, 2021. At the Extraordinary General Meeting on October 15, 2021, Christian Lagerling, an experienced senior executive and board professional, will stand for election as a new member of the Supervisory Board. The newly constituted Supervisory Board shall hold its first meeting following the EGM, electing its chairman and vice chairman.

Karlsruhe, September 30, 2021

asknet solutions AG
– The Management Board / Vorstand –

Christian Herkel, CEO
Florent Guillomeau, CFO

IMPRINT

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Photos
asknet Solutions AG
istockphotos.com

FINANCIAL CALENDAR

May 28, 2021
Annual Report

July 5, 2021
Annual General Meeting

September 30, 2021
Half Year Report

October 15, 2021
Extraordinary General Meeting

November 22–24, 2021
Investor Conference:
German Equity Forum

WE DELIVER SOLUTIONS TO ECOMMERCE CHALLENGES FOR OUR CLIENTS.

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