



Interim Financial Report 2017

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Interim Management Report

1. Significant events during the reporting period and their impact on the financial statement

The business performance of Heliad Equity Partners GmbH & Co. KGaA (Heliad) was as expected during the first six months of this fiscal year. This is mainly due to the predominantly positive performance of listed financial assets.

During the first half of 2017, Heliad sold a low number of units in FinTech Group AG, MagForce AG and DEAG Deutsche Entertainment AG. Due to the lower valuations as of 12.31.2016 according to IFRS accounting, total gains on disposals amounting to EUR 2.2 million were realized.

The freed-up liquid funds were invested over the long term. Particular mention should be made of the investments in Muume AG and bmp Holding AG. For the repayment of a loan Heliad also received additional units in FinTech Group AG.

2. Significant opportunities and risks for the remainder of the financial year

The management board expects a positive result both in the separate financial statements of the parent company as well as the consolidated financial statements of Heliad.

Dependency on financial market performance

Due to the listing of Heliad's major investments, there are both opportunities and risks in the performance of international financial markets.

The share prices of FinTech Group AG in particular have risen sharply in recent months. If there is a reversal of this development, Heliad will make the appropriate value adjustments, which may lead to a significant change in annual profit.

Sale of investments

Although no concrete sales negotiations are currently being performed, there is a chance that Heliad will be able to sell investments or shares in investments at a higher price in the remaining months of this financial year, thereby making substantial gains.

Development of non-listed investments

Heliad has invested substantial funds in so-called "start-ups" in recent years. These venture investments are marked by the novelty of the business models and products offered and usually involve high start-up losses. Consequently, these companies are dependent on further rounds of capital procurement.

If it is not possible to raise the necessary capital or if the business models fail to become established in the market, there is a risk of total loss for Heliad, which may lead to high write-downs on the equity investments.

On the other hand, there are opportunities for significant increases in value if the business models are successful on the market and these companies realize higher valuations when accepting new capital, or if Heliad is able to sell on its shares with a high premium.

3. Investments and their Development¹

3.1. DEAG – DEUTSCHE ENTERTAINMENT AKTIENGESELLSCHAFT

DEAG Deutsche Entertainment AG, with its registered offices in Berlin, is an integrated entertainment content company and a leading provider of live entertainment in Europe.

Founded in 1978 in Berlin and listed since 1998, DEAG with the Group companies in the D/A/CH region and in Great Britain organizes around 2,000 concerts and events per year in the areas of rock/pop, festivals (nationally and internationally), classical, jazz, pop, & folk music as well as the strongly-growing family entertainment segment. The company sells around 5.0 million tickets annually.

DEAG covers the entire value chain in the area of live entertainment: from concerts via music media sales, rights sales, sponsorship & merchandising to ticketing. Social media and digital customer communications are gaining in importance and DEAG is expanding this continuously as part of its digital strategy.

Numerous partnerships and activities such as its own record label DEAG Music and management of a venue, the Jahrhunderthalle in Frankfurt am Main, round off the DEAG portfolio.

With a network of strong partners such as Sony Music Entertainment, Axel Springer SE, ProSiebenSat.1 Media SE/Starwatch Entertainment, Ticketmaster and others, DEAG is excellently positioned in the market as an internationally operating Live Entertainment Group.

The shares of DEAG are listed in the Prime Standard of the Frankfurt Stock Exchange.

Heliad holds a <5% share of DEAG as of June 30, 2017.

3.2. FINTECH GROUP AG (FINTECH)

FinTech Group AG (WKN: FTG111; ISIN: DE000FTG1111, Ticker: FTK.GR) is a modern smart bank: It offers innovative financial technology, a separate core banking system and a regulatory liability umbrella. Its cash cow is the online broker flatex, which can cost-effectively offer top service through in-house technology. This makes flatex one of the fastest growing trading platforms in Europe. Its smart technology can easily be scaled – therefore they also offer this successfully to B2B customers. The FinTech Group provides vital services for many renowned institutions and even government infrastructure. It helps start-ups and disruptive business ideas that need a banking license to quick success using white-label banking. Therefore, the FinTech Group as a smart bank is ideally positioned in a period of consolidation in banking, low interest rates and digitization for further growth and well on the way towards being Europe's leading provider of financial technology

FinTech generated earnings before interest, taxes, depreciation and amortization (EBITDA) of EUR 30.6 million in 2016, as shown in the consolidated financial statement prepared according to IFRS. The Group was able to again significantly increase its profitability. Consolidated revenue in 2016 was around EUR 95 million.

Heliad holds a 10-20% share in FinTech Group as of June 30, 2017.

3.3. MAGFORCE AG

MagForce AG is a leading company in the area of nanotechnology-based cancer therapy and the first company worldwide to receive European approval for a medical device with nanoparticles. The innovative treatment is available to patients in the NanoTherm® therapy centers in Germany at the Charité University Medical Department, Berlin, as well as the University Clinics in Münster, Kiel, Cologne and Frankfurt. Further therapy centers are planned in Germany.

¹ The information has been taken from the publications of the respective companies.

In March 2014, MagForce AG established a US subsidiary, Mag-Force USA, Inc., with its registered office in Nevada, to develop NanoTherm therapy® for the treatment of brain tumors and prostate cancer in the USA and introduce it later to the US market.

Heliad holds a share of <5% in MagForce as of June 30, 2017.

3.4. MAX21 MANAGEMENT UND BETEILIGUNGEN AG (MAX 21)

MAX 21 is a technology holding company that is positioned in the post and mail management, IT security and IT & cloud services industries. It specializes in financing, infrastructure, administration, and recruiting. This means that their investments offer genuine added value/competitive advantages. The most important investments of MAX 21 focus on the post services, IT security, cloud as well as IT services business areas.

Heliad holds a <5 % share in MAX21 as of June 30, 2017.

3.5. MUUME AG

MUUME (www.muume.com), headquartered in Switzerland, is one of the leading technical platforms for digital self-service for daily consumption, which consumers can use to make purchases and place orders easily on their smart phone as an individualized service. MUUME is an expert in digital product data management and digital payment. In essence, MUUME is involved in the digitization of everyday purchasing, ordering and payment processes on smart phones. Strategically, MUUME concentrates on attracting large closed-user groups with a focus on Germany and Switzerland. In doing so, MUUME provides its application under the MUUME brand, in co-branding and as a pure merchant solution for integration in existing merchant apps (SDK).

An important focus in the first six months of 2017 was a cooperation with the European payment provider Ingenico Payment Services. Both companies want to support dealers in a targeted way in the digitization of shopping and food ordering processes. In addition, Muume successfully completed a capital increase in this period.

Heliad holds a 5-10% share of MUUME as of June 30, 2017.

3.6. ALPHAPET VENTURES GMBH

Alphapet Ventures, headquartered in Munich, is the leading online retailer of premium pet supplies and food in Germany. Alphapet Ventures operates specialized online shops in the premium segment for dog and cat owners through the portals Hundeland.de, Katzenland.de and petspremium.de. The broad selection of specialist and premium products, planning tools developed in-house and expert telephone hotline allows the portal's different target groups to find the right product in each phase of life and at any time.

The company was created last year through a merger of two ecommerce companies pets Premium GmbH and ePetWorld GmbH and has since then established itself as a digital brand developer with multi-channel sales. In the first six months of 2017, Alphapet announced the successful conclusion of growth finance for EUR 13 million, which also involved Heliad.

Heliad holds a 5-10% share of Alphapet Ventures as of June 30, 2017.

3.7. CUBITABO GMBH

The Berlin-based company Cubitabo GmbH operates the online platforms Bettenriese.de and buddysleep.de. The multi-brand store BettenRiese.de is established in the German market as an expert in mattress purchasing and sleep-related products and services. The company focuses on providing comprehensive and competent online advice and transparent topically relevant content. The company's own mattress brand Buddy was created in 2016 on the basis of industry experience, customer feedback and innovation and addresses lifestyle and design-oriented customers. With BettenRiese and Buddy, Cubitabo is solidly positioned in the booming mattress market and appeals to a wide range of buyers.

Heliad holds a <50% share of Cubitabo as of June 30, 2017.

3.8. SPRINGLANE GMBH

With a range of more than 10,000 products from over 500 brands, Springlane is one of the leading European e-commerce retailers for kitchenware. With celebrity chefs and product experts, Springlane provides tips, ideas and inspiration on all aspects of cuisine and cooking. The company is particularly characterized by powerful business intelligence and successful content marketing as growth drivers. Springlane was established in 2012 with the involvement of HEP Beteiligungs-GmbH, an intermediate holding company of Heliad for the e-commerce sector. In 2013 and 2014, the company succeeded in gaining other venture capital companies as lenders in several rounds of financing. In 2015, the development of its own product range and marketing activities was the focus for Springlane, with the objective of expanding market position. In September 2015, Springlane completed a financing round of eleven million euros.

The expansion of the barbecue and spirits range also brought Springlane high sales growth in 2016. Furthermore, Springlane opened its first retail store "Springlane Grillgarage" in Dusseldorf within only six weeks. The online magazine recorded over 1,000,000 visits for the first time in July 2016; on December 30 it counted for the first time over 100,000 daily visitors and in December reached almost 10 million impressions on the online platform Pinterest nearly every day. Another important step in December was the opening of the platform for native advertising campaigns of Fast Moving Consumer Goods suppliers and consumer brands.

This strong development also continued for Springlane in the first six months of 2017. The gross margin could be significantly improved by a significant increase in the share of own brands, the tightening of the product range and the resulting optimization of third-party brands. In addition, the sales and margin of offline stores increased by a three-digit percentage. The exponential growth of the online magazine also continued. This currently records 2.2 million unique users and 3.9 million visits monthly. The daily content impressions on Pinterest were increased to 20 million. A milestone was also the successful launch of the first "community private label" product, which as of June 2017 was the product with the third highest sales.

Heliad holds a stake of 10-20% in Springlane as of June 30, 2017.

3.9. MT HOLDING GMBH (AU) – TIANI SPIRIT

MT Holding GmbH with its subsidiary Tiani Spirit GmbH, both with registered offices in Bisamberg in Austria, is an internationally operating IT company, which has specialized in the development and provision of solutions for standardized data exchange. The company mainly focuses on the exchange of medical information. The software solution of Tiani Spirit links to the globally recognized IHE standard and dominates the international competition especially in the area of compatibility. As a non-profit organization, IHE enables solid interoperability in the overall system of the healthcare sector.

As a forerunner, Tiani Spirit has already convinced such renowned partners as Cisco system, which integrated the company's software solution in their own systems and sells them via their price list. In addition to the consistent expansion of the leading position in the IHE market, Tiani Spirit strives to push forward development to become an innovative specialist for interoperability in other areas, particularly residents' registration and decentralized energy supply.

In the first half of 2017, Tiani won the IHE-Connectaton, where e-health application systems are tested for their interoperability, for the 9th time in a row. With 121 points, Tiani had almost twice as many points as the provider placed second (GE Health), which only reached 69 points. In addition, TIANI opened a branch in Germany and was able to gain for this Marcus Beck, a former partner who has excellent knowledge of the German e-health market, as Managing Director. In addition to the formation of grapevine world (www.grapevineworld.com) as an independent marketplace for e-health, applications, Tiani also published winning the Health Data Provenance Challenge with a specially developed blockchain solution that ensures the origin of data (provenance) can be checked.

As of June 30, 2017, Heliad holds a 10-20% share of Tiani Spirit.

3.10. LIBIFY TECHNOLOGIES GMBH

Libify Technologies GmbH with its registered office in Munich specializes in the production and distribution of mobile emergency call and location systems. With its hybrid emergency call system GEOCARE® the company offers modern security technology to facilitate professional and private daily life. Libify Technologies cooperates with many companies from the areas of Ambient Assistant Living (AAL), health, safety, sport and agriculture. In addition to such risk groups as outdoor sportspeople and employees who work out of sight and call range of other people, seniors and those with chronic illnesses benefit from the company's security solution, as it gives them increased independence and a longer time spent in the usual environment. With Geocare, Libify offers a very modern, mobile emergency call system for anyone to get help in seconds at the press of a button. An automatic emergency call or GPS query enables the person in need to be located immediately and precisely. Geocare offers older and chronically ill people a sense of more independence and freedom with maximum security and accompanies active people travelling alone for sport or work.

In addition to the continuous further development of products, Libify Technologies is forcing the opening up new markets and aims to achieve European market leadership in the area of innovative emergency call solutions. The products are now offered in 18 countries and more than 20,000 are successfully in use in the DACH region.

In the first half of 2017, Libify further expanded and strengthened the team. With Matthias Schmid, Libify gained an experienced second director who will in future take on marketing, purchasing, human resources and finance. In addition, the team in the USA was strengthened and the product developed further. B2B partnerships were further expanded in particular internationally. In addition, the requirements for scaling the B2C business were created.

As of June 30, 2017, Heliad holds a share of 10-20% in Libify Technologies.

3.11. MY BETTER LIFE GMBH

my better life™ is the world's first overall customized online coaching platform for a happier life. It was developed alongside leading experts from the areas of work, appearance, relationships, finance, recreation, health and time management. The platform provides people with scientifically sound coaching, recommendations and content curated and customized to their specific needs.

In the first six months of 2017, my better life™ successfully completed the closed beta phase and was officially launched at www.mybetterlife.de. In addition to this important step, the focus was on the optimization and expansion of the platform and the development of marketing measures, which in addition to conducting a TV campaign also meant finding a leading performance marketing agency. In addition, the B2B segment was started successfully and will be further expanded in the coming months.

As of June 30, 2017, Heliad holds a share of 10-20% in my better life™.

3.12. STAPP AG

STAPP AG, with its registered office in Hamburg markets the digital presence of leading personalities (so-called influencers) with individual, authentic solutions. It designs and develops individual, authentic web/app applications using a platform developed in-house, defines the appropriate e-commerce strategy and establishes a scalable network on all relevant digital platforms.

In June 2016, Stapp developed the "love and style" app with Daniela Katzenberger, which with over 300,000 downloads became one of the most popular celebrity apps in Germany. The app allows customers to try out different Daniela Katzenberger "looks" and purchase them. Product providers are able to enter into a cooperation agreement with STAPP in order to place products directly.

Heliad holds a stake of >50% in STAPP as of June 30, 2017.

4. Assets, financial position and results for the first half of the 2017 financial year

4.1. ECONOMIC SITUATION

For the first half of the 2017 fiscal year, the Heliad Group reported a profit of EUR 10.8 million (previous year: EUR -24.5 million). The net asset value per share as of June 30, 2017 at EUR 9.16 rose by EUR 0.73 compared with 12.31.2016 (EUR 8.43). The equity ratio in the consolidated accounts rose slightly at 97.1% (12.31.2016: 95.4%).

From the perspective of management, the performance of the Group has been favorable so far in the 2017 fiscal year.

4.2. ASSET POSITION

The Group's total assets rose by EUR 10.3 million to EUR 93.9 million compared with December 31, 2016.

The Group's asset and capital structure was significantly affected by the financing of investments through loans and equity and the subsequent measurement of financial assets. In addition, the share capital was increased by EUR 363,500 to EUR 9,872,941 through the issue of 363,500 new bearer shares with pro rata share capital of EUR 1.00 against cash contributions. The subscription price corresponds to EUR 5.50 per share.

In the Group, the value of total financial assets increased year on year by EUR 7.2 million to EUR 86.4 million compared with 12.31.2016.

Other assets, current asset securities, receivables and tax receivables in the consolidated financial statement increased by EUR 0.8 million to EUR 5.2 million.

There are no non-current liabilities as in the previous year. The short-term liabilities have reduced by EUR 1.3 million to EUR 2.1 million.

4.3. FINANCIAL POSITION

The main treasury activities of Heliad are triggered by a limited number of annual investments and disinvestment. As the implementation of transactions often depends on a variety of external factors which Heliad only has limited influence over, the cash flows are difficult to predict.

The liquid funds in the group have increased by a total of EUR 0.1 million on 12.31.2016 to EUR 2.4 million as of June 30, 2017, due to proceeds from the sale of financial assets and disbursements for loans and new investments.

Earnings in EUR million	1st half 2017	1st half 2016	Difference
CASH FLOW FROM OPERATING ACTIVITIES	-2.9	-2.8	-0.1
CASH FLOW FROM INVESTING ACTIVITIES	5.0	-0.9	+5.9
CASH FLOW FROM FINANCING ACTIVITIES	0.2	0.0	+0.2

The negative cash flow from operating activities of the Heliad Group during the first half of the 2017 fiscal year at EUR -2.9 million was slightly higher at EUR 0.1 million year on year (EUR -2.8 million).

The cash flow from investing activities in the first half of the 2017 fiscal year was affected by disbursements within the scope of the short-term cash investments of EUR 3.6 million and investments in financial assets of EUR 3.1 million. This was offset by proceeds from disposals totaling EUR 11.6 million.

Payments for dividends (EUR 1.4 million) and the repayment of borrowings (EUR 0.4 million) as well as proceeds from the capital increase (EUR 2.0 million) influenced the cash flow from financing activities. In the prior-year period, there were no cash flows in this area.

The Heliad Group has sufficient funds with the existing cash position.

4.4. EARNINGS

Profitability developed year on year during the first half of the 2017 fiscal year as follows:

Earnings in EUR million	1st half 2017	1st half 2016	Difference
Other operating income	0.0	0.3	-0.3
Gains on disposal	2.2	-0.2	+2.4
Other expenses	-1.8	-3.5	+1.7
Appreciation in value	10.8	0.1	+10.7
Depreciation	-0.6	-22.1	+21.5
Financial income	0.3	0.5	-0.2
Taxes	-0.1	0.3	-0.4
NET RESULT FOR THE PERIOD	10.8	-24,5	+35.3

While the gains on disposal only increased by EUR 2.4 million, the balance amount of gains from the revaluation of financial assets and the corresponding write-downs declined significantly year on year with EUR 32.2 million. Among these, changes in the value of listed financial assets are recognized on the basis of stock price changes.

5 Post-balance-sheet events

After the balance sheet date, there were no significant events.

Frankfurt am Main, in August 2017

The Management of Heliad Management GmbH

Interim Consolidated Financial Statement for the first half of 2017

Consolidated Income Statement for the first half of 2017

Amounts in EURk	Notes	1st half 2017	1st half 2016
Income from the sale of financial assets	4.1	7,825	2,462
Other operating income	4.2	3	311
Gains from revaluation	4.3	10,849	78
Retirement of financial assets	4.4	-5,636	-2,626
Depreciation on intangible assets		-2	0
Other operating expenses	4.5	-1,778	-3,479
Income from investments	4.6	63	44
Depreciation of financial assets	4.7	-604	-22,072
Financial revenue	4.8	207	432
Financial expenses	4.8	-37	0
Earnings before tax		10,891	-24,849
Taxes on income	4.9	-100	315
Net result for the period		10,791	-24,535
AVERAGE NUMBER OF SHARES ISSUED		9,551,383	9,509,441
EARNINGS PER SHARE (DILUTED AND UNDILUTED) IN EUR	4.10	1.13	-2.58

Consolidated Statement of Comprehensive Income for the first half of 2017

Just as for last year, no changes were reported in other comprehensive income.

Consolidated Balance Sheet as at June 30, 2017

Assets

Amounts in EURk	Notes	06.30.2017	12.31.2016
NON-CURRENT ASSETS			
Other intangible assets	5.1	7	9
Financial assets	5.2	86,365	79,126
NON-CURRENT ASSETS – TOTAL		86,372	79,135
CURRENT ASSETS			
Securities		41	136
Other assets	5.3	5,081	4,167
Tax receivables	5.4	65	77
Cash and cash equivalents	5.5	2,354	129
CURRENT ASSETS – TOTAL		7,549	4,509
TOTAL ASSETS		93,921	83,644

Liabilities

Amounts in EURk	Notes	30.06.2017	12.31.2016
SHARE CAPITAL			
Subscribed capital	5.6	9,873	9,509
Capital reserve		31,078	29,318
Retained earnings		39,502	62,890
Net result for the period apportionable to the limited liability shareholders of the Company		10,791	-21,962
EQUITY, TOTAL		91,244	79,756
LONG-TERM DEBT			
Deferred taxes	4.9	544	434
Long-term provisions	5.7	6	6
NON-CURRENT LIABILITIES – TOTAL		550	439
CURRENT LIABILITIES			
Provisions	5.7	208	213
Trade payables	5.8	20	58
Amounts owed to credit institutions	5.8	1,826	2,190
Liabilities from companies in which we have holdings	5.8	0	910
Other liabilities	5.8	63	77
CURRENT LIABILITIES – TOTAL		2,127	3,448
TOTAL ASSETS		93,921	83,644

Consolidated Cash Flow Statement for the first half of 2017

Amounts in EURk	Notes	1st half 2017	1st half 2016
Net result for the period		10,791	-24,535
+ Depreciation of non-current assets	4.7	606	22,072
- Write-ups on financial instruments	4.3	-10,849	-78
- Gains on disposal of financial assets		-2,189	163
+/- Increase / decrease in accruals	5.7	-5	25
-/+ Other non-operative expenses and income	4	252	1,113
+/- Decrease/ increase in receivables and other assets	5.3	-1,547	-1,501
-/+ Decrease / increase in other liabilities	5.7 / 5.8	-4	-41
= CASH FLOW FROM OPERATING ACTIVITIES		-2,946	-2,781
+/- Net cash flows from investments in intangible fixed assets and property, plant and equipment	5.1	0	-10
+ Proceeds from disposals of financial assets and securities	5.2	11,225	2,495
+ Proceeds within the scope of short-term treasury management	5.2	408	3,500
- Payments within the scope of short-term treasury management	5.2	-3,560	-2,136
- Outflow of funds for investments in financial assets and securities	5.2	-3,094	-4,727
= CASH FLOW FROM INVESTING ACTIVITIES		4,979	-877
- Payments for costs of equity raising		-18	0
+ Proceeds from capital increases	5.6	1,999	0
- Payments for repaying borrowings	5.8	-364	0
- Dividends paid	5.6	-1,427	0
= CASH FLOW FROM FINANCING ACTIVITIES		191	0
NET CHANGE IN CASH AND CASH EQUIVALENTS		2,225	-3,658
+ Cash and cash equivalents of the ongoing business units at the beginning of the period		129	8,982
CASH AND CASH EQUIVALENTS AT END OF PERIOD		2,345	5,324

Consolidated Statement of Changes in Equity for the first half of 2017

Amounts in EURk	Subscribed capital	Capital reserve	Retained earnings	Total equity capi- tal
AS OF 12.31.2016	9,509	29,318	40,929	79,756
Net result for the period			10,791	10,791
OVERALL RESULT			10,791	10,791
Capital increase	364	1,619		1,982
Option program		142		142
Dividends			-1,427	-1,427
AS OF 06.30.2017	9,873	31,078	50,293	91,244
Notes				5.6

Notes to the Interim Consolidated Financial State- ment as at June 30, 2017

1. INFORMATION ABOUT THE COMPANY

Heliad Equity Partners GmbH & Co. KGaA (Heliad) is based at Grüneburgweg 18, Frankfurt am Main and is registered in the commercial register of the Amtsgericht Frankfurt am Main under HRB 73524.

Heliad supports companies during their growth and change phases as an equity partner. By listing in the Scale Standard of the Frankfurt Stock Exchange, it receives funding from investors for the sole investment of the funds to achieve capital gains and investment income. The success of the investments is evaluated on the basis of the fair value.

Heliad meets the definition of an investment company in accordance with IFRS 10, which was applicable for the first time in financial years which begin on or after January 1, 2014.

2. BASIC PRINCIPLES

The unaudited, condensed interim financial statements as of Friday, June 30, 2017 were prepared in accordance with International Financial Reporting Standards (IFRS), as applied in the EU, and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC). IAS 34 (Interim Financial Reporting) was observed. The option of the early application of new standards has not been exercised.

The accounting and valuation policies underlying the consolidated financial statement 2016 were consistently applied to this interim financial statement.

The consolidated financial statement includes values which have been determined legitimately using estimates and assumptions. The estimates and assumptions used are based on historical experience and other factors such as planning and likely (from the current standpoint) expectations or forecasts of future events. The assumptions and estimates taken into consideration mainly relate to the determination of the recoverable amount in connection with impairment testing and the recognition and measurement of deferred taxes and provisions.

Significant adjustments to the reported assets and provisions may be required in the next financial year for the following items by performing a re-evaluation:

Amounts in EURk	06.30.2017	12.31.2016
Securities	58,783	49,832
Investments	23,384	21,326
Provisions	213	218

3. BASIS OF CONSOLIDATION

The consolidated financial statement incorporates the financial statement of the parent company and the entities it controls. Heliad has control if:

- it can exert power over the investee,
- variable returns from its investment are excluded, and
- it can affect the level of yields using its authority to dispose.

Heliad reassesses whether it controls an investee or not if facts or circumstances indicate that one or more of the above-mentioned three criteria for control have changed.

If Heliad no longer has a voting majority, it still controls the investee if it nevertheless has a practical way of unilaterally determining the significant activities of the investee using its voting rights.

A subsidiary is included in the consolidated financial statement from the date on which Heliad gains control of the subsidiary until the date on which this control ends.

Subsidiaries of investment companies are excluded from full consolidation according to IFRS 10. Instead, an investment company is required to value its stocks in subsidiaries at fair value in the income statement, recognized as income or expenses, in accordance with IAS 39 ("Financial Instruments: Recognition and Measurement") and IFRS 9 ("Financial Instruments"). As a private equity company, Heliad meets the definition of an investment company in accordance with IFRS 10.

An exception exists for subsidiaries that provide "Investment Related Services". These must be consolidated in the consolidated financial statement of the investment company. HEP Beteiligungs GmbH provides services relating to Heliad's investment activities as an intermediate holding company. They are therefore fully consolidated.

Investments	Headquarters	Shareholding in %	Applied consolidation method
HEP Beteiligungs GmbH	Frankfurt am Main	100.00	Full consolidation
Stapp AG	Hamburg	64.0	IAS 39

The annual financial statements of the companies included in the consolidated financial statement are based on uniform accounting and valuation principles. The reporting date for all companies included in the consolidated financial statement is June 30.

4. NOTES TO THE INCOME STATEMENT

4.1. INCOME FROM THE SALE OF FINANCIAL ASSETS

Shares in FinTech Group AG, DEAG Deutsche Entertainment AG, Max21 Beteiligungs AG and MagForce AG were sold.

4.2. OTHER OPERATING INCOME

Other operating income from the previous year includes gains from the merger of assona Holding SE.

4.3. GAINS FROM REVALUATION

The income from revaluation includes income from the appreciation in value of securities and financial assets at fair value, which are to be recognized as income or expenses in accordance with IAS 39 and are comprised as follows:

Amounts in EURk	1st half 2017	1st half 2016
Securities	10,106	0
Investments	743	78
	10,849	78

More details are provided in the section on financial assets.

4.4. RETIREMENT OF FINANCIAL ASSETS AND SECURITIES

The retirement of financial assets and securities is presented in the same way as the proceeds from the sale of financial assets.

4.5. OTHER OPERATING EXPENSES

The other operating expenses relate to the following items:

Amounts in EURk	1st half 2017	1st half 2016
Costs of management and liability	-1,186	-1,788
Expenses for options	-142	0
Expenses from currency conversions	0	-1,466
Creation of provisions	-115	-59
Remaining other operating expenses	-335	-166
	-1,778	-3,479

Other operating expenses include expenses for stock exchange costs, association contributions, marketing and communication.

4.6. INCOME FROM INVESTMENTS

The "Capnamic" fund dividends are shown under the income from investments.

In calculating the cash flow from operating activities no dividends (previous year: EURk 44) have been taken into account.

4.7. WRITE-DOWNS OF SECURITIES AND FINANCIAL ASSETS

Depreciation of financial assets and securities are specified under the item financial assets.

4.8. FINANCIAL INCOME AND EXPENSES

The data mainly represents interest expenses and income from loans and bank accounts.

The cash flow from operating activities of the reporting period, includes interest received in the amount of EURk 23 (previous year: EURk 384) and interest paid in the amount of EURk 73 (previous year: EURk 0).

4.9. TAXES ON INCOME

The tax on income and profit mainly relates to current and deferred taxes. Current income taxes correspond to the expected tax liability resulting from the taxable income of the current period.

Amounts in EURk	1st half 2017	1st half 2016
Actual tax expense for the period	11	-38
Deferred taxes arising from temporary differences for tax accounting	-110	353
	100	315

The deferred tax expenses related mainly to the formation of deferred tax liabilities on the basis of the measurement of financial assets performed in deviation from the tax accounting.

4.10. EARNINGS PER SHARE

The earnings per stock are calculated as follows:

	1st half 2017	1st half 2016
Net profit for the period apportionable to the limited liability shareholders (EURk)	10,791	-24,535
Weighted average number of limited liability shares	9,551,383	9,509,441
Undiluted and diluted earnings per share (EUR)	1.13	-2.58

Earnings per share are fully allocated to the limited liability shareholders and are from continuing operations.

5. NOTES ON THE BALANCE SHEET

5.1. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

The investments in the website www.heliad.com are included in this item.

5.2 FINANCIAL ASSETS

Amounts in EURk

Financial assets include the following items:

	06.30.2017	12.31.2016
Securities	58,783	49,832
Loans to companies with which a participation relationship exists	4,197	653
Loans to third parties	0	7,315
Investments	23,384	21,326
	86,365	79,126

The investments and securities are “measured at fair value through profit and loss” in the valuation category.

This does not include the unlisted venture investments which are valued at acquisition cost in accordance with IAS 39.46 (c), as there is no price quoted on an active market and their fair value cannot be reliably determined.

The investments and securities for which a stock market price and regular trading on a stock exchange during the period under review existed on the reporting date were measured on the basis of this price on the reporting date (fair value hierarchy: level 1)

Amounts in EURk

	06.30.2017	12.31.2016
Carrying amount of listed financial assets	58,824	49,968

Amounts in EURk

	06.30.2017	12.31.2016
Write-ups on listed financial assets	10,106	0
Depreciation on listed financial assets	-583	-22,072

The write-downs are mainly allocated to the shares in FinTech Group AG and MagForce AG. The depreciation is mainly attributable to the shares in DEAG Deutsche Entertainment AG.

The measurement of the unlisted investments which are “measured at fair value in earnings” is performed using influence factors which can either be observed directly (as prices) or indirectly (from prices) (fair value hierarchy: level 2) The measurement is performed on the basis of relevant comparison values of recent transactions for the financial capital of the portfolio company (financing rounds).

Investments in private equity funds are valued on the basis of the net asset value for the previous quarter determined by the fund managers, with an individual reduction of 15%, resulting from the time delay of the net asset value rating.

The valuation of unlisted investments brings about:

Amounts in EURk	06.30.2017	12.31.2016
Write-ups on unlisted financial assets	743	78
Depreciation on unlisted financial assets	0	0

5.3. TRADE RECEIVABLES AND OTHER ASSETS

The reported trade receivables of the previous year relate exclusively to recharges from third-party invoices.

As of the reporting date, value adjustments on doubtful receivables totaled EURk 100 (12.31.2016: EURk 100).

As of the reporting date financial assets in the amount of EUR 2.2 million were overdue for more than 180 days and not impaired, since these are fully secured with a surety.

An impairment is performed if a financial asset appears to be irrecoverable. This is the case if the financial asset is overdue and not secured to maintain value and no agreement could be reached on an extension of the payment period or if there is obvious evidence or facts which exclude the possibility of compensation.

Other assets include a short-term loan incl. interest accumulated in the amount of EURk 3,806 (12.31.2016: EURk 4,110).

5.4. TAX RECEIVABLES

The tax receivables consist of trade tax pre-payments and capital gains taxes which were paid to the tax office within the context of dividends and interest income and the full payment of which is anticipated within the scope of the tax assessment.

5.5. CASH AND CASH EQUIVALENTS

The bank balances are fully compliant with the financial resources and mainly consist of current accounts, overnight deposit accounts and time deposits.

5.6. SHARE CAPITAL

Subscribed capital

The share capital amounts to EUR 9,872,941.00 (12.31.2016: EUR 9,509,441.00) and is fully paid up. It consists of 9,872,941 (12.31.2016: 9,509,441) registered stocks with a nominal value of EUR 1.00.

The company's share capital was increased on 06.10.2017 from EUR 9,509,441 by EUR 363,500 to EUR 9,872,941 through the issue of 363,500 new bearer shares with a pro rata amount of share capital of EUR 1.00 against cash contributions. The subscription price corresponds to EUR 5.50 per share. The new shares participate in profit from January 1, 2017.

The stockholders' meeting of July 8, 2014 authorized the general partner to acquire treasury stocks in the period up to July 7, 2019 of up to ten percent of the subscribed capital existing at the time the resolution was passed. The authorization may be exercised in whole or in part. The stocks may be purchased via the stock exchange, by means of a public purchase offer or as a public invitation to submit offers for sale. With the consent of the Supervisory Board, the acquired stocks may be sold on the stock exchange or through a public offer and can be fully or partially retracted.

With the consent of the Supervisory Board, the general partner is authorized to increase the stock capital of the company by issuing new no-par value registered ordinary stocks in the form of stocks with a notional value of EUR 1.00 per stock in cash or in kind until August 19, 2018, in partial amounts totaling up to EUR 5,087,381.00 (authorized capital 2013). If the limited liability shareholder was granted a preference right, the shares may in accordance with Section 186 Para. 5 AktG be offered to a financial institution or a company under Section 53 Para. 1 sentence 1 or Section 53 b Para. 1 sentence 1 or

Para. 7 KWG; they are offered with the obligation to offer it for purchase to the limited liability shareholder (indirect subscription right).

The personally liable partner is authorized up to June 30, 2021, with the approval of the Supervisory Board to issue for the Company or its domestic or foreign majority interests once or several times bearer certificates and/or bearer warrant-linked and/or convertible bonds, participation rights and/or income bonds (or combinations of these instruments) (jointly referred to as "bonds") in the total nominal amount of up to EUR 50,000,000.00 with or without a term limit and to grant the holders or creditors of bonds, warrant or conversion rights (including with conversion) for the new no-par value shares of the company a pro rata share of the share capital up to EUR 3,803,261.00 in accordance with the bond conditions.

The share capital is conditionally increased by up to EUR 3,803,261.00 by issuing up to 3,803,261 new, no-par value registered shares (contingent capital 2016/I). The contingent capital increase shall only be performed to the extent to which the holders or creditors of warrant-linked and/or convertible bonds, income bonds and/or participation rights with options and/or conversion rights or obligations that the Company or its domestic or foreign majority holdings has issued due to the authorization resolution of the Annual General Meeting on July 12, 2016 by June 30, 2021 make use of their option for conversion rights from these bonds and in all cases if the contingent capital 2016/I is required in accordance with the option or convertible bond conditions.

The company's share capital is increased conditionally by up to EUR 950,944.00 by issuing up to 950,944 new, no-par value registered shares (contingent capital 2016/II). The conditional capital 2016/II is used only to secure subscription rights, which were issued due to the authorization of the Annual General Meeting of July 12, 2016 within the framework of the share option program 2016 in the period up to and including June 30, 2021 to members of the senior management of the personally liable partner, to employees of the personally liable partner and the company's employees and members of the management and employees of companies affiliated with the company.

In the 2016 fiscal year 412,000 share option rights were issued to members of management and to employees of the personally liable partner and in the fiscal year 2017 132,000 share option rights were issued that following the end of a four-year waiting period provide an option right to purchase a company share.

Capital reserve

The capital reserve contains the amount that will be received from the issue of shares in addition to the (accounting) par value (offering premium). The capital reserve also holds the amounts resulting from the valuation of the share options issued.

Retained earnings

Retained earnings include profits carried forward from previous periods. The retained amount for currency differences is also offset against retained earnings and summarized in the balance sheet.

Heliad issued dividends in the fiscal year 2017 of EUR 0.15 per share (previous year: EUR 0.20 per share), a total of EURk 1,427 per share (previous year: EURk 1,902), to its limited liability shareholders.

5.7. PROVISIONS

Other long-term provisions

The long-term provisions show the archiving obligations (EURk 6; 12.31.2016: EURk 6).

Other short-term provisions

The other provisions are made up as follows:

Amounts in EURk	12.31.2016	Consumption	Resolution	Supply	06.30.2017
Audit expenses	58	-58	0	29	29
Supervisory Board remuneration	14	-14	0	29	29
Provisions for taxation	41	-30	-11	0	0
Other	100	-8	0	58	150
	213	-109	-11	115	208

The other provisions include, inter alia, provisions for the preparation of tax returns and for outstanding invoices.

5.8. LIABILITIES

Amounts owed to credit institutions

Raiffeisenbank Attersee-Süd eGen has provided Heliad with a credit line in the amount of up to EUR 6.5 million up to 08.31.2019.

The portion of the credit line used is currently subject to interest at 2.75% p.a. The amount of the interest rate is linked to the development of the 3-month EURIBOR. The unused credit line is subject to a commission of 0.75% p.a. As collateral, an equities account was opened with Raiffeisenbank and is used as a deposit. At the reporting date, Heliad was using an amount of EUR 1.8 million (12.31.2016: EUR 2.2 million) of this line.

Liabilities from companies in which we have holdings

The liabilities shown as of 12.31.2016 from deposits not paid in the equity capital of a portfolio company have been fully paid up.

Other liabilities and trade payables

The shown liabilities have a term up to one year and are each assessed at the nominal value or the amount of expected utilization.

6. OTHER INFORMATION

6.1. SEGMENT REPORTING

As the "chief operating decisions maker" in the sense of IFRS 8.7, the general partner of the Company, Heliad Management GmbH regularly reviews information about the development of the Company. It also makes its decisions regarding the allocation of resources at this level.

Information relevant to accounting is therefore only available for the Company as a whole and is not allocated to individual segments. Heliad is accordingly managed as a "single-segment entity" (SSE), as a result of which the financial and other effects of business activities can be identified on the basis of the elements at hand in the consolidated financial statement and consolidated Management Report. The disclosure of operating segments is therefore unnecessary for these reasons.

The company value is mainly determined on the basis of the market value of investments as reflected in the equity according to IFRS. The net asset value is a central measure of success control and monitoring of the Company.

The Heliad Group operates exclusively within German-speaking countries; the income was generated in Germany. The reported non-current assets are located in Germany.

6.2. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

The residual payment obligations for agreed contingent contributions for stocks in partnerships not yet claimed amounted to EURk 158 on the reporting date (12.31.2016 EURk 940).

Future liabilities from service contracts total
EURk 63 (12.31.2016: EURk 126).

Further liabilities and other financial obligations remain unchanged since the 2016 Consolidated Annual Financial Statement.

6.3. INFORMATION ON CORPORATE BODIES

The General Partner, Heliad Management GmbH, Frankfurt am Main. It is solely authorized and obliged to manage the company.

The Managing Director of the general partner is:

- Thomas Hanke, investment banker, Düsseldorf

The following have been appointed as members of the Supervisory Board:

- Volker Rofalski (Chairman), Munich, managing director of only natural munich GmbH, Munich
- Kai Panitzki (Deputy Chairman), director of FinLab AG, Frankfurt am Main
- Stefan Müller, Küps, fully authorized representative of Börsenmedien AG, Kulmbach

6.4. EMPLOYEES

Heliad does not have any of its own employees.

6.5. RELATED PARTIES

FinLab AG, Frankfurt am Main, as of June 30, 2017 held more than 25% of the shares of the company. FinLab AG, Frankfurt am Main, held more than 25% of the stocks in the company as of June 30, 2016. FinLab AG is also the sole stockholder of the general partner of the Company, Heliad Management GmbH, Frankfurt am Main. On the basis of the voting majority presence at the General Meetings of Thursday, June 22, 2017, FinLab AG was able to exert what amounted to controlling influence over the Company. Furthermore, it is expected that the voting majority presence will also occur at future shareholders' meetings, so Heliad Equity Partners GmbH & Co. KGaA was a business controlled by FinLab AG within the meaning of Section 17 (1) and (2) German Stock Companies Act (AktG) as of June 30, 2017.

The directly controlling company (FinLab AG, Frankfurt am Main) was categorized as an associated enterprise with respect to other companies as of Friday, June 30, 2017 within the meaning of Section 15 AktG. The indirect owner in the meaning of Section 17 (1) German Stock Companies Act (AktG) is Mr. Bernd Förtsch, Kulmbach. Mr. Förtsch has subscribed via BF Holding GmbH to the capital increase explained in section 5.5.

According to Section 8a of the Articles of Association, the general partner receives an activity and liability remuneration of 2.5% p.a. of the value of the balance sheet equity of the Group as of the reporting date of the previous financial year

according to IFRS accounting rules, plus any sales tax. In addition, the general partner receives a profit-related remuneration amounting to 20% of the company's approved net income for the year before taxes.

Heliad Management GmbH, Frankfurt am Main, received EURk 1,994 (previous year EURk 2,550) plus value-added tax from Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, as an activity and liability fee in accordance with the Articles of Association. The general partner received EURk 0 (previous year EURk 227) plus value-added tax as a profit-related remuneration in accordance with the Articles of Association.

In accordance with Section 8b of the Articles of Association, the general partner or an associated company can also provide consulting services for Heliad or its subsidiaries in place of those provided by third company, at the same level as would be paid to a third party.

FinLab AG, Frankfurt am Main, charged Heliad Equity Partners GmbH & Co. KGaA EURk 73 (previous year: EURk 111) for the services it provides in the areas of marketing, accounting and invoices from third parties, including any applicable value-added tax charged.

Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, granted BF Holding GmbH, Kulmbach, a loan of EUR 7.0 million. The loan including accrued interest was redeemed on 05.31.2017. The repayment was performed by the delivery of 419,500 shares in FinTech Group AG.

HEP Beteiligungs GmbH, Frankfurt am Main, granted Stapp AG, Hamburg, a loan of EUR 1.0 million (12.31.2016: EUR 1.0 million). These loans have interest rates of between 4-8% p.a.

Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, has invested in FinTech Group AG within the scope of capital increases. Mr. Bernd Förtsch exerts a significant influence over FinTech Group AG through his investments. Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main, held a total of 2,898,944 shares as of June 30, 2017 (12.31.2015 2,836,290 shares) in this company. The acquisition costs amounted to EUR 21.1 million as of June 30, 2017 (12.31.2016: EUR 15.6 million). In the 2017 fiscal year additions were made to the investment carrying amount in the amount of EUR 7.9 million (previous year: depreciation and amortization in the amount of EUR 20.4 million).

As of the reporting date receivables and liabilities owed by related parties amounted to EURk 108 (12.31.2015: EURk 43). The members of the Supervisory Board in the year under review were entitled to board remuneration in the amount of EURk 48 plus value-added tax (previous year: EURk 48).

6.6. POST-BALANCE SHEET EVENTS

No events occurred after the balance sheet date.

Frankfurt am Main, in August 2017

The Management of Heliad Management GmbH

CONTACT

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