

Half Year Report of UniDevice AG

IFRS consolidation

June 30, 2020



Commercial register: Berlin-Charlottenburg
Commercial register number: HRB 190230 B

The share

Nominal capital	15,050,000.00 EUR
Classes of shares	Bearer shares
WKN / ISIN	A11QLU / DE000A11QLU3
Number of shares	15,050,000
Stock symbol	UDC
Listing	Munich stock exchange Frankfurt stock exchange
Stock market segment	m:access Open Market
First trading day	March 06, 2018 March 07, 2018
Designated Sponsor, Listing Partner, Market Maker	mwb fairtrade Wertpapierhandelsbank AG

The bond

Nominal amount	up to 20,000,000.00 EUR
Interest coupon	6.5%
Bond class	Owner bond
WKN / ISIN	A254PV / DE000A254PV7
Listing	Frankfurt stock exchange
First trading day	December 17, 2019
Market Maker	Wolfgang Steubing AG Wertpapierhandelsbank

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Letter to the shareholders

Dear shareholders, dear Sirs and Madames,

in the first half of 2020, the group of companies had to deal with the challenges of the corona pandemic, like every company and every citizen.

As a result, the group of companies increased sales by 5.88% (to EUR 196.27 million) and net profit for the period by 51.87% (to EUR 1.63 million) in the first half of the year.

The international B2B brokerage for communication and entertainment electronics, focusing on high-priced smartphones from leading manufacturers such as Apple and Samsung, achieved sales growth of 4.98% (to EUR 194.61 million) and a profit increase of 39.54% (to 1.50 million euros).

The medical technology business with a focus on restoring mobility for physically disabled people after an accident or during a serious neurological illness (sale of special and modern rehabilitation aids, as well as the special construction of manufactured seat shells and seat cushions) achieved a turnover of EUR 1.66 million and a profit for the period of EUR 132 thousand.

At the Annual General Meeting on June 29, 2020, the shareholders resolved a dividend of 7 cents per share (thus 1,053,500.00 euros). The Management Board and the Supervisory Board are aware that dividend resolutions by shareholders can now also be expected in subsequent years. On May 18, 2020, UniDevice AG (as the sole shareholder) decided at the Annual General Meeting of the subsidiary PPA International AG a dividend of EUR 2.00 million. UniDevice AG has therefore taken care of a possible dividend resolution by the shareholders at the Annual General Meeting in 2021.

At this point I can once again thank the employees for their high level of commitment. The challenges of the corona pandemic were successfully dealt with in the first half of 2020. I would like to thank the members of the Supervisory Board for the good cooperation.

Schönefeld, July 2020



Dr. Christian Pahl

(CEO)

Group Management Report

June 30, 2020

- I. Basis of the group
- II. Economic report
- III. Events after the balance sheet date
- IV. Outlook
- V. Risk report

I. Basis of the group

The UniDevice group is active with PPA International AG (100% subsidiary of UniDevice AG) in international B2B brokerage as well as international wholesale of electronic devices from the areas of entertainment and communication and owns with UniService GmbH (100% subsidiary of UniDevice AG) a service company for logistics and administration.

The focus of business activities is on the growth markets of electronic devices from the areas of entertainment and communication.

UniDevice AG acquired SaniSolutions GmbH, Kassel, on March 27, 2020 for a purchase price of EUR 1.00. The company is a rehabilitation technology provider with three locations nationwide (Berlin, Kassel, Langenfeld). With the acquisition, the group of companies expanded its business to include medical technology. The goal is to support the further growth and profitability of the company.

II. Economic report

Business development

The UniDevice Group sells electronic devices in the areas of entertainment and communication. Sales in this division amounted to EUR 194.61 million in the first half year of 2020 (previous year period: EUR 185.38 million). Sales increased by 4.98%. The profit in this business area was EUR 1.50 million in the first half of 2020 (previous year period: EUR 1.07 million). The net profit in this business area increased by 39.54%.

The UniDevice Group was active in the medical technology sector for the first time in the first half of 2020. Sales in this business area amounted to EUR 1.66 million in the first half of 2020. The profit in this business area was EUR 132 thousand in the first half of 2020.

Earnings situation

The company's sales were mainly generated with electronic devices from the areas of entertainment and communication. The cost of materials in relation to sales in this division decreased to 98.02% (98.38% in the same period of the previous year). The operating result (EBIT, earnings before taxes and interest) in this business area increased to 1.14% of sales (0.92% in the previous year period).

In connection with the growth in sales, the operating result (EBIT, earnings before taxes and interest) rose by 29.66% from EUR 1.71 million (previous year period) to EUR 2.22 million.

Including the medical technology division, the UniDevice Group achieved an operating result (EBIT, profit before taxes and interest) of EUR 2.37 million.

Financial situation

The UniDevice Group's financial position can be described as very stable. Financial management is designed to always pay liabilities within the payment period and to collect receivables within the payment terms. The UniDevice Group's capital structure is stable.

As of June 30, 2020, equity amounted to EUR 18.90 million and thus 61.79% of total assets.

We have higher credit lines than we use on average. As of June 30, 2020, credit lines in the amount of EUR 8.00 million had not been used. The bond liability amounts to EUR 3.23 million and 10.57% of the balance sheet total. All liabilities can always be paid within the payment terms.

Assets situation

The UniDevice Group's financial position can be described as good. Trade receivables decreased from EUR 7.32 million (12/31/2019) to EUR 5.32 million at the end of the first half of the year. Inventories rose to EUR 3.85 million (12/31/2019): EUR 1.68 million). As of the reporting date, the UniDevice Group had cash and cash equivalents of EUR 2.27 million (12/31/2019: EUR 1.32 million).

Financial key performance indicator

For internal corporate management, we use the key figure EBIT (operating result, profit before taxes and interest). The EBIT amounts to EUR 2,366 thousand; 1.21% of sales (previous year period: EUR 1,709 thousand; 0.92% of sales); EBIT growth 38.43%.

The UniDevice Group works profitably and the overall economic situation can be described as good.

III. Events after the balance sheet date

The shareholders of UniDevice AG resolved at the Annual General Meeting on June 29, 2020 a dividend of 7 cents per share. The dividend payment was credited to the shareholders' accounts on July 2, 2020.

IV. Outlook

We rate the expected development of the UniDevice Group positively.

The international B2B brokerage and the international wholesale of electronic devices from the areas of entertainment and communication continue to offer great growth potential. In autumn 2020, 5G-capable mobile phones will be widely launched in the EU by Apple, Samsung and other manufacturers. We expect this to provide an additional impetus for sales and profit growth.

In the area of medical technology, SaniSolutions GmbH is enabled to implement ISO 13485: 2016. With this project, the process quality and efficiency of the business area is increased. As a result, we subsequently expect competitive advantages over other market participants.

V. Risk report

Industry-specific risks

The market for electronic devices in the areas of entertainment and communication is constantly changing. The group continuously monitors market changes and adjusts itself to changing market conditions. A high turnover rate reduces the risk of unexpected changes in the value of goods.

The market for rehabilitation technology is subject to increasing regulatory requirements. The group of companies allocates the necessary resources to meet the increasing regulatory requirements.

Profit-related risks

The market share in the communications area was expanded in the reporting year. The competition risks may increase due to new competitors in the industry. Our services offer cost and competitive advantages, so we assume that we can continue to expand our market share in the field of communication.

The fulfillment of increasing regulatory requirements in the field of medical technology (rehabilitation technology) costs working time and requires training for the further development of work processes, the creation of the technical documentation for medical devices required by medical device law, the creation of a complete risk management file according to ISO 14971 and the implementation of the Qualified Person.

We assume that the associated increase in process quality can lead to competitive advantages.

Financial risks

The group's liquidity and equity situation is good. No liquidity risks are currently discernible.

There are no significant currency risks that could affect the company's net assets, financial position and results of operations, since foreign currency payments are made immediately according to the calculated parameters. Deliveries of goods from foreign currency countries are processed within very short deadlines.

Risk management system

The UniDevice Group uses a risk management system that systematically identifies significant and existential risks in order to assess their effects and develop suitable measures. The aim of the risk management system is to avoid financial losses, failures or disruptions, or to implement suitable countermeasures immediately. The Management Board and the Supervisory Board are informed of risks at an early stage as part of the risk management system. Monitoring liquidity and earnings development are important aspects and parameters of the risk management system. The operational development is continuously monitored in order to identify deviations from the plan in good time. The Management Board decides on the appropriate strategy and measures for managing the risks.

General statement

The constant change in the market for entertainment and communication electronic devices is a risk of future development. The market attractiveness and the pricing of electronic devices from entertainment and communication is subject to constant change.

The market for rehabilitation technology is subject to increasing regulatory requirements. Continuing education, training and process developments are to be carried out continuously. The financial stability of the group of companies enables us to continue to manage the risks and to take advantage of the opportunities.

There are currently no discernible risks that could endanger the continued existence of the company.

Schönefeld, July 2020



Dr. Christian Pahl
(CEO)

IFRS Consolidated Financials

June 30, 2020

- I. Consolidated balance sheet
- II. Consolidated profit and loss summary account
- III. Consolidated profit and loss summary account by areas
- IV. Consolidated cash flow statement

IFRS Consolidated Financials
as of June 30, 2020

UniDevice AG consolidated balance sheet

(Accounting under IFRS)

ASSETS	June 30 2020 EUR	June 30 2019 EUR	Dec 31 2019 EUR	LIABILITIES AND EQUITY	June 30 2020 EUR	June 30 2019 EUR	Dec 31 2019 EUR
Cash	2,268,292.33	7,245.22	1,319,605.23	Accruals	1,881,226.40	832,480.83	1,349,686.37
Trade receivables	5,324,745.74	5,611,144.81	7,315,726.94	Bank loan	0.00	2,099,030.18	0.00
Inventory	3,847,453.41	6,130,551.13	1,684,967.00	Trade payables	1,286,230.56	1,158,559.73	365,986.86
Other short-term assets	3,776,650.84	1,040,643.44	2,023,380.02	Other short-term liabilities	1,002,230.50	867,848.95	289,029.58
Short-term assets	15,217,142.32	12,789,584.60	12,343,679.19	Short-term liabilities	4,169,687.46	4,957,919.69	2,004,702.81
Intangible assets	21,719.00						
Company value	14,950,000.00	14,950,000.00	14,950,000.00	Bond	3,233,000.00	0.00	2,206,000.00
Tangible assets	334,756.49	76,114.13	70,418.99	Management loan	4,281,223.03	5,134,344.55	4,304,023.45
Deferred assets	71,524.07	7,984.86	39,295.50	Deferred tax	6,421.92	6,421.92	6,421.92
Long-term assets	15,377,999.56	15,034,098.99	15,059,714.49	Long-term liabilities	7,520,644.95	5,140,766.47	6,516,445.37
				Share capital	15,050,000.00	15,050,000.00	15,050,000.00
				Legal reserve	5,000.00	5,000.00	5,000.00
				Balance sheet profit	3,849,809.47	2,669,997.43	3,802,745.50
				Equity	18,904,809.47	17,724,997.43	18,882,245.50
					61.79%	63.70%	68.90%
TOTAL ASSETS	30,595,141.88	27,823,683.59	27,403,393.68	TOTAL LIABILITIES AND EQUITY	30,595,141.88	27,823,683.59	27,403,393.68

Methodology:

The IFRS figures as of June 30, 2019 and June 30, 2020, are unaudited.

The IFRS figures as of December 31, 2019, are audited.

UniDevice AG consolidated profit and loss summary account
Presentation with the business areas of communication and medical technology

(Accounting under IFRS)

	June 30	June 30	Dec 31	June 30	June 30	Dec 31
	2020	2019	2019	2020	2019	2019
	EUR	EUR	EUR			
1. Sales	196,271,964.40	185,376,055.90	358,524,668.39			
2. Other operating income	165,703.35	85,065.89	794,951.23			
3. Cost of materials						
a) Cost of purchased goods and services	-191,732,008.98	-182,373,166.18	-351,657,567.87	-97.69%	-98.38%	-98.08%
4. Labour cost						
a) Salaries	-823,677.14	-338,902.15	-770,880.47			
b) Social insurance contribution	-163,388.03	-46,285.19	-87,358.35			
	-987,065.17	-385,187.34	-858,238.82	-0.50%	-0.21%	-0.24%
5. Depreciation / Amortisation of intangible and tangible assets	-38,739.03	-10,553.01	-444,004.78			
6. Other operational expenses	-1,313,504.99	-982,854.89	-2,875,402.46	-0.67%	0.92%	-0.80%
7. EBIT (earnings before interest and tax)	2,366,349.58	1,709,360.37	3,484,405.69	1.21%	0.92%	0.97%
8. Interest and similar income	155,710.96	0.00	1,166.74			
9. Interest and similar expenses	-380,183.20	-154,450.54	-317,993.20			
10. Financial result	-224,472.24	-154,450.54	-316,826.46	-0.11%	-0.08%	-0.09%
11. EBT (earnings before tax)	2,141,877.34	1,554,909.83	3,167,579.23	1.09%	0.84%	0.88%
12. Income tax	-509,671.00	-480,154.00	-960,075.33	-0.26%	-0.26%	-0.27%
13. Net profit	1,632,206.34	1,074,755.83	2,207,503.90	0.83%	0.58%	0.62%

Methodology:

The IFRS figures as of June 30, 2019 and June 30, 2020, are unaudited.

The IFRS figures as of December 31, 2019, are audited.

UniDevice AG consolidated profit and loss summary account
Presentation of business areas

(Accounting under IFRS)	Communication Technology	Medical Technology	Group			
	June 30	June 30	June 30	June 30	June 30	June 30
	2020	2020	2020	2020	2020	2020
	EUR	EUR	EUR			
1. Sales	194,611,111.12	1,660,853.28	196,271,964.40			
2. Other operating income	53,156.07	112,547.28	165,703.35			
3. Cost of materials						
a) Cost of purchased goods and services	-190,750,818.34	-981,190.64	-191,732,008.98	-98.02%	-59.08%	-97.69%
4. Labour cost						
a) Salaries	-488,626.78	-335,050.36	-823,677.14			
b) Social insurance contribution	-78,611.11	-84,776.92	-163,388.03			
	-567,237.89	-419,827.28	-987,065.17	-0.29%	-25.28%	-0.50%
5. Depreciation / Amortisation of intangible and tangible assets	-12,209.03	-26,530.00	-38,739.03			
6. Other operational expenses	-1,117,592.10	-195,912.89	-1,313,504.99	-0.57%	9.03%	-0.67%
7. EBIT (earnings before interest and tax)	2,216,409.83	149,939.75	2,366,349.58	1.14%	9.03%	1.21%
8. Interest and similar income	155,710.96	0.00	155,710.96			
9. Interest and similar expenses	-362,709.73	-17,473.47	-380,183.20			
10. Financial result	-206,998.77	-17,473.47	-224,472.24	-0.11%	-1.05%	-0.11%
11. EBT (earnings before tax)	2,009,411.06	132,466.28	2,141,877.34	1.03%	7.98%	1.09%
12. Income tax	-509,671.00	0.00	-509,671.00	-0.26%	0.00%	-0.26%
13. Net profit	1,499,740.06	132,466.28	1,632,206.34	0.77%	7.98%	0.83%

Methodology:

The IFRS figures as of June 30, 2020, are unaudited.

UniDevice AG consolidated cash flow statement

for the period from 1 January to 30 June

(Accounting under IFRS)

	2020	2019
	EUR	EUR
Period result	1.632.206,34	1.074.755,83
Depreciation on fixed assets	38.739,03	10.553,01
Change in trade receivables	1.990.981,20	-509.337,61
Change in inventory	-2.162.486,41	-948.477,13
Change in other short-term assets	-1.753.270,82	-739.042,69
Change in other deferred assets	-32.228,57	
Change in short-term accruals	531.540,03	-10.439,34
Change in trade payables	920.243,70	-601.497,30
Change in other short-term payables	713.200,92	437.178,66
Interest expenses / income	224.472,24	154.450,54
Currency differences	0,00	14.132,99
Cash Flow from operating activities	2.103.397,66	-1.117.723,04
Payments for investments in fixed assets	-25.744,16	-26.620,15
Cash Flow from investment activities	-25.744,16	-26.620,15
Change in management loans	-22.800,42	217.004,36
Change in bond	1.027.000,00	
Change in bank loans	0,00	1.081.299,70
Interest expenses / income	-224.472,24	-154.450,54
Dividend payment to shareholders	-1.053.500,00	
Cash Flow from financing activities	-273.772,66	1.143.853,52
Change in cash and cash equivalents due to change in companies consolidated	-855.193,74	
Cash Flow	948.687,10	-489,67
Cash and cash equivalents on 1 January 2019 / previous year	1.319.605,23	7.734,89
Cash and cash equivalents on 31 December 2019 / previous year	2.268.292,33	7.245,22
Change in cash and cash equivalents	948.687,10	-489,67

Methodology:

The IFRS figures as of June 30, 2019 and June 30, 2020, are unaudited.

Notes to the consolidated financials

as of June 30, 2020

1 General information

UniDevice AG was founded on March 17, 2014. The company is registered in the commercial register of the district court Berlin-Charlottenburg under HRB 190230 B and has its seat in Berlin. The business address is in Mittelstr. 7, 12529 Schönefeld. UniDevice AG is a holding company. UniDevice AG is the parent company (100%) of PPA International AG, Schauenburg (district of Kassel). The consolidated financial statements for the period from 1 January to 30 June 2020 of UniDevice AG have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), as applicable in the European Union, and the in addition to § 315e para. 1 HGB applicable commercial law regulations, voluntarily set up. In connection with a non-cash capital increase carried out at UniDevice AG, which was entered in the commercial register on December 04, 2017, UniDevice AG acquired all shares of PPA International AG. The initial consolidation took place on December 31, 2017. PPA International AG is engaged in international wholesale of electronic entertainment and communication equipment. The share capital of PPA International AG amounts to EUR 50,000.00. PPA International AG has its own business as defined by IFRS 3. After deducting the identifiable net assets (assets less liabilities), goodwill of EUR 14,950 thousand resulted. The transferred consideration includes i.a. benefits from expected sales growth and future market developments. These benefits, which can not be accounted for separately from goodwill, are the sum of goodwill.

The accounting and valuation was carried out under the assumption of going concern. The consolidated financial statements are prepared for the reporting date of the annual financial statements of the parent company, which is also the reporting date of all consolidated subsidiaries.

The balance sheet of the UniDevice Group has been prepared according to maturity criteria, with assets and liabilities expected to be realized or redeemed within twelve months of the balance sheet date being classified as current in accordance with IAS 1. Deferred tax assets and deferred tax liabilities are fully disclosed under non-current assets or non-current liabilities in accordance with IAS 1.56.

The income statement is prepared as part of the consolidated profit and loss summary account using the total cost method.

2 Consolidated group

In the consolidated financials for the financial period from January 1 to June 30, 2020, of UniDevice AG, PPA International AG, Schönefeld, UniService GmbH, Schauenburg and SaniSolutions GmbH, Kassel, were included in addition to UniDevice AG.

The consolidations carried out are as follows:

- PPA International AG (as of December 31, 2017, effective date of first-time consolidation)
- UniService GmbH (as of June 1, 2019, effective date of first-time consolidation)
- SaniSolutions GmbH (as of January 1, 2020, effective date of first-time consolidation)

In connection with a non-cash capital increase carried out at UniDevice AG, which was entered in the commercial register on December 04, 2017, UniDevice AG acquired all shares of PPA International AG. The share capital amounts to EUR 50,000.00.

PPA International AG has its own business as defined by IFRS 3. After deduction of the identifiable net assets (assets less liabilities), goodwill of EUR 14,950 thousand resulted. The transferred consideration includes i.a. benefits from expected synergies, revenue growth and future market developments. These benefits, which can not be accounted for separately from goodwill, add up to the Company Value.

UniService GmbH was founded on June 19, 2019. UniDevice AG, as the founding partner, subscribed 51% (share EUR 25,500.00; share capital of the company EUR 50,000.00) of the share capital.

UniDevice AG acquired the remaining 49% of UniService GmbH's shares on March 6, 2020, at a purchase price of EUR 50,000.00. The equity of UniService GmbH as of December 31, 2019 was EUR 113,033.39. As of December 31, 2019, the equity value of the 49% share was EUR 55,386.36.

UniDevice AG is entitled to the rights from the purchased shares retroactively from January 1, 2020.

UniDevice AG acquired SaniSolutions GmbH, Kassel, on March 27, 2020, for a purchase price of EUR 1.00. The company is a rehabilitation technology provider with three locations nationwide (Berlin, Kassel, Langenfeld). On April 2, 2020, UniDevice AG paid the amount of EUR 560,000.00 into the company's capital reserves. With the acquisition, the group of companies expanded its business to include medical technology. The aim is to support the company's further growth and profitability.

The participation rates of UniDevice AG in the subsidiaries as of the reporting date are as follows:

Name and registered office of the company	Participation rate %
PPA International AG, Schönefeld	100,00
UniService GmbH, Schauenburg	100,00
SaniSolutions GmbH, Kassel	100,00

3 Consolidation principles

The annual financial statements of all Group companies are prepared on the basis of uniform accounting and valuation methods as of the reporting date of UniDevice AG (parent company).

The acquisition of business operations is accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value. Costs associated with the business combination were recognized in profit or loss when incurred.

The identifiable assets and liabilities acquired were measured at their fair values, with the exception of deferred tax assets and deferred tax liabilities. Deferred tax assets and deferred tax liabilities were recorded and measured in accordance with IAS 12 "Income Taxes". The goodwill represents the surplus of the sum of the consideration transferred, the amount of all non-controlling interests in the acquiree and the balance of the amounts of the identifiable assets acquired and the liabilities assumed at the date of acquisition.

Receivables and liabilities between the consolidated companies as well as intercompany sales, other intragroup income and related expenses are consolidated. Intermediate results are eliminated.

Deferred taxation was carried out in accordance with IAS 12 to consolidate profit or loss to the extent that the divergent tax expense is likely to be offset in later financial years.

4 Estimates and assumptions

The preparation of the consolidated financial statements requires estimates and assumptions that may affect the amounts of assets, liabilities and financial obligations as of the balance sheet date, as well as the income and expenses of the year under review. Actual amounts may differ from these estimates and assumptions.

When applying the accounting and valuation methods, the Management Board exercises discretionary decisions. In addition, the acquisition of shares in PPA International AG required the impairment test of the goodwill acquired as of the balance sheet date. In order to test the recoverability of goodwill, it is necessary to determine the value in use of the cash-generating unit to which the goodwill has been allocated. The calculation of the value in use requires the estimation of future cash flows from the cash-generating unit and a suitable discount rate for the present value calculation. The determination of the fair value of assets and liabilities is based on management judgments.

The bases used by management for assessing the appropriateness of allowances on receivables are the maturity structure of accounts receivable balances, the creditworthiness of customers, and changes in payment terms. In the event of a worsening of customers' financial position, the extent of the actual write-offs may exceed the amount of the expected write-offs.

For each taxable entity, the expected actual income tax must be calculated, and the temporary differences arising from the different treatment of certain balance sheet items between the IFRS consolidated financial statements and the tax statements have to be assessed. If there are temporary differences, these differences generally lead to the recognition of deferred tax assets and liabilities in the consolidated financial statements. Management must make judgments when calculating actual and deferred taxes. Deferred tax assets are recognized to the extent that they are likely to be used. The use of deferred tax assets depends on the ability to generate sufficient taxable income within the relevant tax type. To assess the likelihood of future use of deferred tax assets, various factors must be considered, such as: Earnings situation in the past, operational planning and tax planning strategies. If the actual results deviate from these estimates or if these estimates are adjusted in future periods, these could adversely affect the net assets, financial position and results of operations. If there is a change in the impairment test for deferred tax assets, the recognized deferred tax assets must be written down through profit or loss.

5 Information on the consolidated balance sheet including the accounting and valuation methods

When preparing the financial statements of the associated Group companies, transactions denominated in currencies other than the functional currency (EUR) of the Group company are translated at the exchange rates prevailing on the date of the transaction. All monetary items denominated in foreign currency are translated at the closing rate on the balance sheet date. Non-monetary items denominated in foreign currencies that are measured at fair value must be translated at the rates that were valid at the time of measurement at fair value.

5.1 Cash and bank balances

Cash and bank balances are valued at acquisition cost. They include cash on hand, on-demand bank deposits and other short-term, highly liquid financial assets that have a maximum term of three months at the time of acquisition.

5.2 Trade receivables

Trade receivables totaling EUR 5,325 thousand (12/31/2019: EUR 7,316 thousand) are valued using the effective interest method at amortized cost less any impairments. Impairment losses are recognized if there is an objective indication that the expected future cash flows have changed negatively as a result of one or more events that occurred after the initial recognition of the asset.

The criteria that lead to an impairment of trade receivables are based on the probability of default of the receivable and the expected creditworthiness of the customers.

5.3 Inventory

Inventories totaling EUR 3,847 thousand (12/31/2019: EUR 1,685 thousand) include finished goods that were measured at acquisition and production costs. Under IAS 2, all costs incurred in connection with the acquisition of the respective assets were included. Borrowing costs to be capitalized were not incurred. The application of IAS 11 is not relevant.

5.4 Other current assets

Other current assets totaling EUR 3,777 thousand (12/31/2019: EUR 2,023 thousand) are amongst other things deductible input tax amounts and debit vendors.

5.5 Fixed assets and company value

Property, plant and equipment totaling EUR 335 thousand (12/31/2019: EUR 70 thousand) as well as goodwill are recognized at cost using IAS 16 or IAS 38, but reduced by scheduled depreciation for temporary use. Where necessary, impairments reduce (amortized) acquisition cost. There was no revaluation of property, plant and equipment according to the option available under IAS 16.

Scheduled depreciation is linear. Depreciation corresponds to the course of consumption of the future economic benefit. Property, plant and equipment and intangible assets are depreciated on a straight-line basis over various useful lives (three to fifteen years).

In the event that the book value exceeds the expected recoverable amount, an impairment to this value is made in accordance with IAS 36. The recoverable amount is determined by the net sales proceeds or, if higher, the present value of the estimated future cash flows from the use of the asset.

Goodwill acquired in a business combination may not be amortized. Instead, the acquirer must allocate it to the Group's cash-generating units and, in accordance with IAS 36, test for impairment once or more frequently if events or changes in circumstances indicate that impairment may have occurred.

If the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is initially allocated to the carrying amount of the goodwill allocated to the unit and then pro rata to the other assets. Any impairment losses on goodwill are recognized directly in the income statement. An impairment loss recognized for goodwill may not be reversed in future periods.

The goodwill presented in the consolidated balance sheet of EUR 14,950 thousand was allocated to the international wholesale trade in electronic devices from the areas of entertainment and communication of PPA International AG as a cash-generating.

5.6 Other accruals

Other accruals totaling EUR 1,881 thousand (12/31/2019: EUR 1,350 thousand) include accruals formed when the Group has a present, legal or actual obligation from a past event, the outflow of resources with economic benefits to fulfill that obligation is likely and a reliable estimate of the amount of the obligation is possible. Accruals are recognized at the amount that arises from the best estimate of financial expenses to meet the current obligation as of the balance sheet date.

5.7 Bond

UniDevice AG issued a bond on December 17, 2019, with a term of 5 years until December 17, 2024, with a subscription volume of up to EUR 20,000 thousand. The interest coupon is 6.5%.

The outstanding bond liability as of June 30, 2020, was EUR 3,233 thousand. The bond is traded on the Frankfurt Stock Exchange (WKN: A254PV / ISIN: DE000A254PV7).

5.8 Bank loan

Liabilities to banks total EUR 0.- (12/31/2019: EUR 0.-). As of the balance sheet date, operating credit lines of Oldenburgische Landesbank were not utilized to the amount of EUR 8,000 thousand.

5.9 Trade payables

Trade payables, which totaled EUR 1,286 thousand (12/31/2019: EUR 366 thousand), are carried at amortized cost using the effective interest method.

5.10 Other short-term liabilities

The other short-term liabilities, which total EUR 1,002 thousand (12/31/2019: EUR 289 thousand), are stated at amortized cost using the effective interest method. These are essentially wage and sales tax liabilities.

5.11 Liabilities to management

Messrs. Hamed Sam Jam (member of the Management Board of PPA International AG, wholly owned subsidiary of UniDevice AG) and Peter Marggraff (deputy chairman of the UniDevice AG Supervisory Board) are economically lending PPA International AG loans to the amount of EUR 3,747 thousand as of 06/30/2020 (12/31/2019: EUR 3,662 thousand).

The loans are unsecured and subordinated to the bank loan of Oldenburgische Landesbank, they yielded interest at 6% per annum. Dr. Christian Pahl (CEO of UniDevice AG and member of the Management Board of PPA International AG) granted PPA International AG various loans in 2020, which showed a balance of EUR 535 thousand on 06/30/2020 (12/31/2019: EUR 642 thousand). The loans are unsecured and subordinated to the bank loan of Oldenburgische Landesbank, they yielded interest at 6% per annum.

5.12 Deferred tax liabilities

Deferred taxes are calculated on the basis of the tax rates that are applicable at the expected time or are to be applied in the future when the deferred tax assets or liabilities are settled. Offsetting of deferred tax

assets and liabilities is only made if there is a legal right to offset actual tax refund claims and actual tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same authority on the same taxable entity. As of the reporting date, deferred tax liabilities totaling EUR 6 thousand (12/31/2019: EUR 6 thousand) were reported.

5.13 Equity

The share capital of the company in the amount of EUR 15,050,000.00 is divided into 15,050,000 no-par-value shares with a nominal value of EUR 1.00 each.

Pursuant to a resolution of the Annual General Meeting on September 13, 2017, the Executive Board was authorized, with the approval of the Supervisory Board, to increase the share capital by 12 September 2022 by issuing new shares in return for non-cash or cash contributions, once or several times, up to a maximum of EUR 7,525,000.00 increase (authorized capital 2017).

Pursuant to a resolution passed by the Annual General Meeting on September 13, 2017, the Executive Board was authorized, with the approval of the Supervisory Board, to issue warrant or convertible bonds, profit participation rights or income bonds or combinations of these instruments in a total amount of up to EUR 7,525,000.00, one or more times until 12 September 2022, with or without a short-term maturity and to grant the holders or creditors of the respective, equally entitled bonds, option or conversion rights to bearer shares of the Company in a pro rata amount of the share capital or to grant or to impose a total of up to EUR 7,525,000.00 in accordance with the terms and conditions of the Notes. For this purpose, the share capital is conditionally increased by up to EUR 7,525,000.00 by issuing up to 7,525,000 new no-par-value bearer shares.

UniDevice AG did not hold any of its own shares on the reporting date.

6 Contingent liabilities and other financial obligations

UniDevice AG together with PPA International AG is liable to Oldenburgische Landesbank in connection with a working capital credit line of EUR 8,000 thousand. This working capital credit line is available to PPA International AG.

We estimate the utilization of contingent liabilities to be low due to the current creditworthiness and the previous payment behavior of the beneficiaries. Recognizable clues that would require a different assessment are not available to us. The other financial obligations are within the scope of normal business dealings.

7 Notes to the profit and loss summary account

Principles of revenue recognition

Revenues from the sale of electronic entertainment and communications equipment are recognized in accordance with the contractual arrangements. Devices that are shipped result in revenue as soon as they have been handed over to the shipping company.

Segment reporting according to IFRS 8

Products and services that result in income from reportable segments

According to IFRS 8, business segments are to be delimited on the basis of internal reporting on group areas, which is regularly reviewed by the company's main decision-maker with regard to decisions regarding the allocation of resources to these segments and the assessment of their profitability. Information reported to the Management Board as the main decision-maker for the purpose of allocating resources to the Group's business segments and evaluating their profitability relates to the types of goods or services that are produced or provided. The reportable segment of the group according to IFRS 8 is the technology business in the areas of entertainment and communication as well as medical technology. The group turnover corresponds to the segment turnover and the group result corresponds to the segment result. The group assets correspond to the segment assets and the group liabilities correspond to the segment liabilities.

Products and services

All technology products (various electronic devices from the areas of entertainment and communication as well as medical technology products) have been combined into a group of comparable products. All of the sales shown in the income statement essentially relate to the product group described above.

Geographic information

The Group operates worldwide.

Expenses and income of the financial year are taken into account - irrespective of the time of payment - when they have been realized. Proceeds from the sale of assets and proceeds from services are realized when the relevant opportunities and risks have been transferred and the amount of the expected consideration can be reliably estimated.

7.1 Revenues

Revenues mainly relate to revenue from the sale of technology products.

7.2 Other operating income

Other operating income totaled EUR 166 thousand (prior year period: EUR 85 thousand).

7.3 Cost of materials

The cost of materials item includes all expenses incurred in connection with the purchase of electronic entertainment and communication equipment.

7.4 Depreciation

Depreciation includes scheduled depreciation of property, plant and equipment and intangible assets in the amount of EUR 39 thousand (prior year period: EUR 11 thousand). Property, plant and equipment and intangible assets are depreciated on a straight-line basis over various useful lives (three to fifteen years).

7.5 Other operating expenses

Other operating expenses totaling EUR 1,314 thousand (prior year period: EUR 983 thousand) include a large number of individual items. These include, in particular, the costs of the premises, transport costs,

insurance and contributions, repairs and maintenance, advertising and travel costs, legal and consulting fees and other various operating costs.

7.6 Interest and similar income

The interest results from the granting of loans or from the investment of cash and cash equivalents at German banks.

7.7 Interest and similar expense

The interest includes expenses for the interest on borrowed loans. The interest expense was EUR 380 thousand (prior year period: EUR 154 thousand).

7.8 Income tax

The position can be broken down as follows:

	June 30, 2020	June 30, 2019
	EUR	EUR
Income tax of the reporting period	-509,671.00	-480,154.00
Deferred tax expense from valuation differences	0.00	0.00
Deferred tax income from valuation differences	0.00	0.00
	-509,671.00	-480,154.00

Deferred taxes are calculated company-specific using the relevant effective tax rates.

8 Earnings per share

Earnings per share are calculated by dividing net income by the number of shares issued. In accordance with IAS 33.19, the calculation of basic earnings per share is based on the number of ordinary shares of the weighted average number of ordinary shares outstanding during the period. Dilution effects are not to be considered.

	June 30, 2020	June 30, 2019
	EUR	EUR
Profit of the year attributable to the shareholders of the parent company	1,632,206.34	1,074,755.83

Number of shares	15,050,000	15,050,000
Earnings per share	0.1084	0.0714

9 Information on members of the corporate bodies

9.1 Management Board

Surname	First name	Position	Authority to act	Profession
Dr. Pahl	Christian	Board Member	Authority to act solely	Businessman

9.2 Supervisory Board

Surname	First name	Position	Profession
Jakob	Christoph	Chairman	Tax adviser
Marggraff	Peter	Deputy chairman	Businessman
Dr. Schimpf	Arno	Member	Engineer (from Sept 09, 2019, ordered by court)
Wielanek	Kamil	Member	Businessman (until August 05, 2019, resigned)

At the Annual General Meeting on June 29, 2020, the members of the Supervisory Board were elected to the Supervisory Board with effect from the end of this Annual General Meeting until the end of the Annual General Meeting, which decides on the discharge for the 2024 financial year.

10 Number of employees

In the UniDevice Group, an average of 18 employees (previous year period: 17 employees) were employed in the entertainment and communication technology sector and an average of 20 employees in the medical technology sector in the reporting period. A total of 38 employees were employed in the UniDevice group in the reporting period.

11 Risk management policy and countermeasures

The aim of the UniDevice Group's risk management is to identify and record all significant risks and their causes in good time in order to avoid financial losses, debt losses or disruptions. The procedure ensures that suitable countermeasures for risk avoidance can be implemented. At the same time, the Management Board and the Supervisory Board are informed. Essentially, it is an early warning system by monitoring liquidity and earnings performance. The UniDevice Group is generally exposed to risks arising from changes in products, their prices and availability. The high turnover rate of the goods makes it possible, even in the event of sudden and unexpected changes, to minimize losses.

11.1 Borrowing and interest rate risk

The Group has used management loans for the operational implementation of its business model. Due to the fixed interest rate, there are no interest rate risks for management loans. In the first half year 2020, bank borrowing was used up to EUR 8,000 thousand. As of the reporting date, there were bank liabilities in the amount of EUR 0.-. Due to the low level of bank interest rates, interest rate risks currently exist only to a limited extent.

11.2 Fair values of financial instruments

11.2.1 Assets

June 30, 2020 in kEUR	Short-term			Fair value
	Trade receivables	Cash	Total book values	
Financial assets measured at amortised cost	5,325	2,268	7,593	7,593

December 31, 2019 in kEUR	Short-term			Fair value
	Trade receivables	Cash	Total book values	
Financial assets measured at amortised cost	7,316	1,320	8,636	8,636

For the instruments presented in the table above and below, the Executive Board considers the carrying amounts in the consolidated balance sheet to be a good approximation of their fair values.

11.2.2 Liabilities

June 30, 2020 in kEUR	Short-term			Total book values	Fair value
	Bank loan	Trade payable	Other financial liabilities		
Financial liabilities measured at amortised cost	0	1,286	4,281	5,567	5,567

December 31, 2019 in kEUR	Short-term			Total book values	Fair value
	Bank loan	Trade payable	Other financial liabilities		
Financial liabilities measured at amortised cost	0	366	4,304	4,670	4,670

11.3 Exchange rate risk

Exchange rate risks arise in financial instruments denominated in foreign currency, that means in a currency other than the functional currency (EUR). Certain business transactions (purchase of goods) in the

Group are denominated in foreign currencies, therefore risks arise from exchange rate fluctuations. Due to the high turnover rate and fast transaction realization, the risks are limited.

11.4 Other price risks

Other price risks may arise from rising purchase prices. Long-term supply contracts and similar measures that could limit these risks currently do not exist. The conclusion of such contracts would negatively affect the necessary flexibility of the management in the compilation of the electronic equipment to be sold, which will be ordered on demand.

11.5 Risks arising from the default of receivables

The default risk of receivables from the sale of electronic equipment is recognized by appropriate individual and general bad debt allowances. There is a commercial credit insurance for selected customers. The insured customer claims are protected against bad debts. The maximum default risk of the financial assets is limited by the value of the carrying amounts.

11.6 Liquidity risk

The Group manages liquidity risks by constantly monitoring forecast and actual cash flows and reconciling the maturity profiles of financial assets and liabilities.

The following tables present the expected future cash flows of the financial liabilities (undiscounted repayments) as of June 30, 2020 and December 31, 2019. The interest payments were not taken into account.

Financial liabilities valued at amortised acquisition costs	Book value June 30,2020 kEUR	Cash flow up to 1 year kEUR	Cash flow > 1 year to 5 years kEUR	Cash flow > 5 years kEUR
Accruals	1,881	1,875	6	0
Interest-bearing financial liabilities	7,514	0	7,514	0
Non-interest-bearing financial liabilities	1,286	1,286	0	0

Financial liabilities valued at amortised acquisition costs	Book value December 31, 2019 kEUR	Cash flow up to 1 Jahr kEUR	Cash flow > 1 year to 5 years kEUR	Cash flow > 5 years kEUR
Accruals	1,350	1,344	6	0
Interest-bearing financial liabilities	6,510	0	6,510	0
Non-interest-bearing financial liabilities	366	366	0	0

Non-interest bearing financial liabilities of EUR 1,286 thousand (12/31/2019: EUR 366 thousand) are attributable to trade payables.

12 Events after the balance sheet date

The shareholders of UniDevice AG resolved at the Annual General Meeting on June 29, 2020 a dividend of 7 cents per share. The dividend payment was credited to the shareholders' accounts on July 2, 2020.

Schönefeld, July 2020



Dr. Christian Pahl
(CEO)

Imprint

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Member: Dr. Arno Schimpf

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