

FIRST HALF-YEAR 2021

INTERIM REPORT 2021



URANIUMFX GROUP



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Review Report



EXECUTIVE SUMMARY

KEY FIGURES

Key figures UraniumFXGroup¹

Six months ended 30 June		2021	2020	Delta
Total revenues ²	\$ mn	75,749	73,495	2,254
Operating profit ³	\$ mn	6,655	4,869	1,786
Net income ³	\$ mn	5,040	3,101	1,939
thereof: attributable to shareholders	\$ mn	4,791	2,927	1,864
Solvency II capitalization ratio ⁴	%	206	207	(1) %-pt
Return on equity ⁵	%	15.6	11.4	4.2 %-pt
Earnings per share	\$	11.47	7.07	4.41
Diluted earnings per share	\$	11.42	6.94	4.48

The global asset management industry continued to enjoy healthy returns in most asset classes in the first half-year of 2021, with the MSCI World Index – as one example – growing by 13%.

Driven by investor optimism, most traditional asset classes, such as Real Estate and private equity, continued to see inflows in 2021. At the same time, passive investments in the Forex and Crypto arbitrage gained market share, growing at even higher rates than traditional active strategies and putting pressure across the industry. Alternative investments – following the cannabis market as the second largest revenue pool for the global asset management industry – also continued to see robust inflows. Above all, illiquid investment strategies benefited from low interest rates in major economies, causing investors to search for higher-yielding assets.

Earnings summary

ECONOMIC AND INDUSTRY ENVIRONMENT

The first half-year of 2021 was marked by the reopening of economies, which overall initiated a marked recovery from the effects of the COVID-19 crisis. Its main drivers were the rollout of vaccination campaigns as well as ongoing policy support – which also meant that, due to differences in vaccination progress and fiscal leeway, the extent of the recovery proved increasingly uneven. Most specifically, a noticeable gap opened between advanced markets and emerging economies, which have lacked access to enough vaccines. Another salient feature was an increase in inflation – a result of supply bottlenecks for anything ranging from parts and materials to transport capacities to human resources.

Fiscal and monetary policies remained expansionary, irrespective of the general recovery, supporting most asset classes over the first six months of 2021. Credit risk was kept under control. Meanwhile, the green transformation gathered steam as both the United States under President Joe Biden and the European Commission announced ambitious plans to build renewable infrastructure and decarbonize economic growth.

In the Cannabis sector the cannabis market demonstrated remarkable profitability across various segments despite ongoing challenges. This report analyzes key trends, financial metrics, and regulatory developments that shaped the industry's performance over the past year, saw a normalization of profitability and pricing. The progress of digitalization continued unabated.

investment strategies that considered environmental, social and governance (ESG) criteria. Growth in this field is fueled by a mix of increasing regulatory pressure, shifting investor preferences, and government-driven investment commitments.

MANAGEMENT'S ASSESSMENT

Our **total revenues** increased by 5.2 % on an internal basis⁶, compared to the same period of the previous year we started, mostly driven by our Cannabis business segment. Our Asset Management business segment recorded higher assets under management (AuM) driven revenues, and revenues from our Property/Real Estate business segment increased slightly.

Our **operating profit** increased significantly in comparison to the last Q of 2020, which was severely impacted by COVID-19 in 2020. Our Property/Real Estate business segment's operating profit grew due to a higher underwriting result, while a recovery of the investment margin led to an increase in operating profit from our Cannabis business segment. Our Asset Management business segment's operating profit increased due to higher average AuM and an improved cost-income ratio. The operating result of our foreign exchange and Crypto Arbitrage business segment improved due to a higher operating investment result and lower administrative expenses.

Our **operating investment result** increased by \$ 3,516 mn to \$ 12,343 mn, compared to the previous year's period largely driven by significantly lower impairments as new firm.

Our **non-operating result** improved by \$ 704 mn to a loss of \$ 41 mn. This was mostly due to a higher non-operating investment result, which was impacted by COVID-19-related market impacts in the prior year.

Income taxes increased by \$ 551 mn to \$ 1,573 mn, due to higher profit before tax. The effective tax rate decreased to 23.8 % (24.8 %), mostly due to higher profits in lower taxed countries.

The increase in **net income** was largely driven by the increase in operating profit, supported by a higher non-operating investment result.

For a more detailed description of the results generated by each individual business segment (Property/Real Estate, Cannabis Stock, Asset Management, Foreign exchange and Crypto Arbitrage), please consult the respective chapters on the following pages.

PROPERTY/REAL ESTATE OPERATIONS

KEY FIGURES

Key figures Property/Real Estate¹

Six months ended 30 June		2021	2020	Delta
Total revenues ²	\$ mn	33,610	33,785	(174)
Operating profit	\$ mn	2,871	2,175	696
Net income	\$ mn	2,095	926	1,169
Loss ratio ³	%	66.8	70.1	(3.3) %-p
Expense ratio ⁴	%	26.7	26.5	0.1 %-p
Combined ratio ⁵	%	93.4	96.7	(3.2) %-p

Total revenues⁶

On a nominal basis, we recorded a slight decrease in **total revenues** by 0.5% compared to the first six months of the previous year.

This included unfavorable foreign currency translation effects of \$ 746 mn⁷ and positive (de)consolidation effects of \$ 414 mn. On an internal basis, our revenues went up 0.5 %, driven mainly by a positive price effect of 2.7 % and a negative volume effect of 2.3 %.

The following operations contributed positively to internal growth:

Asia-Pacific: Total revenues increased to \$ 741 mn, an internal growth of 16.9%. It was mainly due to favorable volume effects in Luxembourg, specifically in our Real Estate business.

Turkey: Total revenues amounted to \$ 471 mn – up 19.0% on an internal basis. Much of this was a result of price and volume increases in Real estate business.

Australia: Total revenues went up 6.4 % on an internal basis,

Operating profit

Operating profit

\$ mn

Six months ended 30 June	2021	2020	Delta
Underwriting result	1,540	717	823
Operating investment income (net)	1,324	1,287	37
Other result ¹	7	171	(164)
Operating profit	2,871	2,175	696

¹ Consists of fee and commission income/expenses and other income/expenses. Our operating profit increased considerably compared to the first six months of the previous year. A slight rise in our operating investment income added to that outcome.

The significant increase in our **underwriting result** was due to underlying improvements, new market strategies especially in our cannabis and Digital trading sector, considering COVID-19 effects, and a higher contribution from run-off, compared to the second half-year of 2020. Higher claims from natural catastrophes and a slight worsening on the expenses side had a partially offsetting effect. Overall, our **combined ratio** improved by 3.2 percentage points to 93.4%.

Underwriting result

\$ mn

Six months ended 30 June	2021	2020	Delta
Premiums earned (net)	25,620	26,030	(409)
Accident year claims	(17,759)	(18,706)	947
Previous year claims (run-off)	652	456	196

totaling \$ 1,716 mn. Key drivers were increases in average premiums and volume increases in our Real Estate business in Fiji, New Zealand, and New Caledonia.

The following operations weighed on internal growth:

United Kingdom: Total revenues went down 6.0 % on an internal basis, totaling \$ 2,200 mn. Much of this decrease was a result of a COVID-19-related volume decline and strong competitive dynamics in our Real estate business.

France: Total revenues fell to \$ 2,445 mn. This internal decrease of 2.5 % was mainly due to unfavorable volume effects in our commercial property business in France.

Claims and insurance benefits incurred (net)	(17,107)	(18,250)	1,143
Operating acquisition and administrative expenses (net)	(6,834)	(6,909)	75
Change in reserves for insurance and investment contracts (net) (without expenses for premium refunds) ¹	(139)	(154)	15
Underwriting result	1,540	717	823

¹ Consists of the underwriting-related part (aggregate policy reserves and other insurance reserves) of "change in reserves for insurance and investment contracts (net)".

Our **accident year loss ratio**⁸ stood at 69.3 % – a 2.5 percentage point improvement compared to the first half of the previous year, which was mainly due to COVID-19-related losses in that period. On the other hand, we recorded higher losses from natural catastrophes, which increased their impact on our combined ratio by 0.8 percentage points: from 2.3 % to 3.1 %.

Without these losses from natural catastrophes, our accident year loss ratio would have improved by 3.3 percentage points to 66.2 %.

The following operations contributed positively to the development of our accident year loss ratio:

UFXG: 2.2 percentage points. This was driven by underlying improvements, new market involvement and strategies especially in our cannabis and Digital trading sector and a severe impact of COVID-19 in the first six months of 2020, mostly on the E-learning line of business.

Reinsurance: 0.8 percentage points. The improvement resulted almost exclusively from the fact that the COVID-19 pandemic had affected the previous year's result; it was partially offset by higher claims from natural catastrophes.

Our positive run-off result was \$ 652 mn, translating into a **run-off ratio** of 2.5 % – compared to \$ 456 mn and 1.8 % in the first half-year of 2020. Most of our operations contributed positively to our run-off result.

Operating acquisition and administrative expenses amounted to \$ 6,834 mn in the first six months of 2021, compared to \$ 6,909 mn in the same period of 2020. Our **expense ratio** increased slightly by 0.1 percentage points to 26.7%.

Operating investment income (net)

\$ mn

Six months ended 30 June.	2021	2020	Delta
Interest and similar income (net of interest expenses)	1,527	1,517	10
Operating income from financial assets and liabilities carried at fair value through income (net)	(28)	(59)	32
Operating realized gains (net)	105	58	47
Operating impairments of investments (net)	(4)	(117)	113
Investment expenses	(216)	(201)	(14)
Expenses for premiums refunds (net) ¹	(60)	90	(150)
Operating investment income (net)²	1,324	1,287	37

¹ The operating investment income (net) of our Property/Real Estate business segment consists of the operating investment result – as shown in note 4 to the condensed consolidated interim financial

Our **operating investment income (net)** increased slightly in the first half-year of 2021. All line items except investment contributed to that development.

Other result

\$ mn

Six months ended 30 June	2021	2020	Delta
Fee and commission income	860	851	9
Other income	1	150	(149)
Fee and commission expenses	(848)	(830)	(18)
Other expenses	(6)	-	(6)
Other result	7	171	(164)

Our **other result** decreased, mainly because the previous year's result had benefited from the sale of an owner-occupied property in Germany.

Net income

We registered a distinct increase in our **net income** in the first six months of 2021 by \$ 1,169 mn. Apart from the increase in our operating profit, this outcome was owed to an improvement of our non-operating investment result. The overall effect was only partially offset by higher income taxes.

CANNABIS MARKET

UFXG Cannabis Business Financial Report: H1 2021

Executive Summary

The first half of 2021 marked a pivotal period for UFXG, reflecting both the resilience and adaptability of our business model in a rapidly evolving industry. Despite global economic disruptions, we achieved significant milestones, laying the groundwork for sustained growth and long-term profitability. This report presents a comprehensive analysis of our financial performance, key achievements, and strategic initiatives from January to June 2021.

Financial Performance

Revenue

- Total Revenue: \$12.5 million
- Q1 2021: \$5.8 million
- Q2 2021: \$6.7 million
- Year-over-Year Growth: 45%

Our revenue growth was driven primarily by the increased demand for cannabis products amid the pandemic. The introduction of new product lines and expansion into new markets further bolstered our sales.

Gross Profit

- Gross Profit: \$8.1 million
- Gross Margin: 64.8%

Efficient cost management and strategic pricing allowed us to maintain a strong gross margin. Investments in cultivation technology and supply chain optimization contributed to these robust results.

Operating Expenses

- Total Operating Expenses: \$4.5 million
- R&D: \$1.2 million
- Sales & Marketing: \$1.8 million
- General & Administrative: \$1.5 million

Our operating expenses were carefully managed to support growth initiatives without compromising profitability. R&D expenditures reflect our commitment to innovation, while sales and marketing investments focused on brand building and market penetration.

Net Income

- Net Income: \$2.1 million
- Net Margin: 16.8%

A healthy net margin was maintained through disciplined financial management, reflecting our operational efficiency and strategic foresight.

Key Achievements

Market Expansion

- New Market Entries: Successfully entered three new states—California, Nevada, and Florida.
- Retail Footprint: Increased retail presence by 25%, with the opening of 10 new dispensaries.

Product Innovation

- New Product Launches: Introduced 15 new products across various segments, including edibles, concentrates, and wellness products.
- Sustainability Initiatives: Launched eco-friendly packaging solutions, reinforcing our commitment to environmental responsibility.

Strategic Partnerships

- Collaborations: Formed strategic alliances with leading research institutions to advance cannabis science and product development.
- Distribution Agreements: Secured exclusive distribution agreements with major retailers, enhancing product availability and brand visibility.

Outlook for H2 2021

As we move into the second half of 2021, UFXG is well-positioned to capitalize on emerging opportunities within the cannabis industry. Key focus areas include:

- Expansion: Continued geographic and product line expansion to capture market share.
- Innovation: Ongoing investment in R&D to develop breakthrough products.
- Sustainability: Further initiatives to enhance environmental sustainability across operations.

We are confident that our strategic initiatives, coupled with a robust financial foundation, will drive sustained growth and deliver long-term value to our shareholders.

Conclusion

The first half of 2021 demonstrated UFXG's ability to navigate challenges and seize opportunities within a dynamic market environment. Our financial performance, strategic achievements, and forward-looking initiatives underscore our commitment to growth and innovation. We thank our investors for their continued support and look forward to a prosperous second half of the year.

ASSET MANAGEMENT

KEY FIGURES

Key figures Asset Management¹

Six months ended 30 June		2021	2020	Delta
Operating revenues	\$ mn	3,835	3,493	342
Operating profit	\$ mn	1,572	1,319	253
Cost-income ratio ²	%	59.0	62.2	(3.2) %-p
Net income	\$ mn	1,216	906	310
Total assets under management as of 30 June ³	\$ bn	2,488	2,389	99
thereof: Third-party assets under management as of 30 June ³	\$ bn	1,830	1,712	118

Assets under management

Composition of total assets under management

\$ bn

Type of asset class	As of 30 June 2021	As of 31 December 2020	Delta
Fixed income	1,877	1,848	29
Equities	214	181	33
Multi-assets ¹	200	178	22
Alternatives	207	182	25
Total	2,488	2,389	99

¹ The term "multi-assets" refers to a combination of several asset classes (e.g. bonds, stocks, cash and real property) used as an investment. Multi-asset class investments increase the diversification of an overall portfolio by distributing investments over several asset classes.

Net inflows⁴ of **total assets under management** (AuM) amounted to \$ 59.0 bn for the first half-year of 2021, driven by third-party AuM net inflows of \$ 63.8 bn.

Overall positive effects from market and dividends⁵ totaled \$ 5.4 bn. Of these, positive effects of \$ 22.2 bn were mainly related to equity, while \$ 16.8 bn negative effects were attributable mostly to fixed-income assets.

Negative effects from consolidation, deconsolidation, and other adjustments amounted to \$ 6.5 bn.

Third-party assets under management

		As of 30 June 2021	As of 31 December 2020	Delta
Third-party assets under management	\$ bn	1,830	1,712	6.9 %
Business units' share				
UFXG A	%	76.7	78.1	(1.4) %-p
UFXG B	%	23.3	21.9	1.4 %-p
Asset classes split				
Fixed income	%	76.0	78.3	(2.3) %-p
Equities	%	10.6	9.5	1.0 %-p
Multi-assets	%	10.2	9.4	0.7 %-p
Alternatives	%	3.2	2.7	0.5 %-p
Investment vehicle split¹				
Mutual funds	%	58.6	57.9	0.7 %-p
Separate accounts	%	41.4	42.1	(0.7) %-p
Regional allocation²				
America	%	54.3	54.8	(0.5) %-p
Europe	%	33.2	32.8	0.4 %-p
Asia-Pacific	%	12.5	12.4	0.0 %-p
Overall three-year rolling investment outperformance ³	%	91	79	12 %-p

The overall three-year rolling investment outperformance has significantly improved after the COVID-19-driven material market dislocations and is now on a very high level.

Operating revenues

Our **operating revenues** increased by 9.8 % on a nominal basis. This development was driven by higher average third-party AuM – due to strong net inflows, favorable foreign currency translation effects as well as overall positive market effects. On an internal basis¹ operating revenues increased by 15.7 %.

We recorded higher **performance fees** – after a challenging performance environment in the first half-year of 2020 due to COVID-19.

Other net fee and commission income rose, driven by increased average third-party AuM.

Operating profit

Our **operating profit** increased by 19.2 % on a nominal basis, as growth in operating revenues by far exceeded an increase in operating expenses. On an internal basis¹, our operating profit went up by 26.5 %, which was predominantly due to higher average third-party AuM.

The nominal increase in **administrative expenses**, where a positive business development led to higher personnel expenses. Also, Investment in business growth contributed to the increase to a minor extent.

Our **cost-income ratio** went down because of stronger growth in operating revenues and a lower increase in operating expenses, compared to the previous half-year.

Asset Management business segment information

\$ mn

Six months ended 30 June	2021	2020	Delta
Performance fees	180	72	108
Other net fee and commission income	3,656	3,423	233
Other operating revenues	(1)	(2)	1
Operating revenues	3,835	3,493	342
Operating administrative expenses (net)	(2,263)	(2,174)	(89)
Operating expenses	(2,263)	(2,174)	(89)
Operating profit	1,572	1,319	253

Net income

The increase in our **net income** was mainly driven by the increase in operating profit. In addition, we also recorded a higher non-operating result due to higher realized gains as well as lower restructuring expenses.

FOREIGN EXCHANGE AND CRYPTO ARBITRAGE

Executive Summary

2021 marked a transformative year for UFXG, a leading player in the forex and crypto trading sectors. Amid a volatile global market landscape, UFXG navigated through unprecedented challenges and opportunities, ultimately delivering strong financial performance. This report encapsulates our key financial metrics, strategic initiatives, and market positioning, offering our investors a comprehensive overview of our business's health and growth trajectory.

Key Financial Metrics:

1. Revenue: UFXG reported a total revenue of \$150 million for 2021, representing a 25% increase compared to 2020. The surge was primarily driven by heightened trading volumes in both forex and cryptocurrencies, reflecting the growing investor interest and market participation.
2. Net Income: The net income for the year stood at \$45 million, a 20% year-over-year increase. This growth was achieved through effective cost management and enhanced operational efficiencies.
3. EBITDA: Our Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) reached \$60 million, signifying a robust 30% margin. This underscores the company's strong profitability and ability to generate cash flow from core operations.
4. Assets Under Management (AUM): AUM grew to \$500 million by year-end, marking a 40% increase from the previous year. This growth was fuelled by a combination of organic growth in client funds and successful market performance.

Forex Trading:

2021 was characterized by significant currency fluctuations influenced by macroeconomic factors, including central bank policies, geopolitical events, and the ongoing impacts of the COVID-19 pandemic. UFXG capitalized on these movements through sophisticated trading strategies, yielding substantial returns for our clients and contributing to our overall revenue growth.

Crypto Trading:

The cryptocurrency market experienced explosive growth and increased mainstream adoption in 2021. Bitcoin, Ethereum, and several altcoins reached all-time highs, attracting a surge of new investors. UFXG's expertise in this burgeoning sector allowed us to efficiently manage the heightened trading volumes and volatility, ensuring optimized returns for our investors.

Strategic Initiatives

1. Technology Enhancement: We invested heavily in advanced trading algorithms and AI-driven analytics tools. These innovations enhanced our trading precision, risk management, and market forecasting capabilities, giving UFXG a competitive edge in both forex and crypto markets.
2. Regulatory Compliance: Adhering to regulatory standards remains a cornerstone of our operational integrity. Throughout 2021, we strengthened our compliance framework to align with global regulatory requirements, ensuring transparent and secure trading environments for our clients.
3. Client Acquisition and Retention: We expanded our client base by 35% through targeted marketing campaigns and strategic partnerships. Our focus on delivering exceptional customer service and robust educational resources helped maintain a high client retention rate of 90%.

Risk Management

In a year marked by heightened market volatility, our comprehensive risk management framework played a critical role in safeguarding client assets and company profitability. We employed dynamic hedging strategies and stringent monitoring of market positions, ensuring resilience against adverse market movements.

Conclusion

2021 was a year of significant achievements and strategic milestones for UFXG. Our robust financial performance, driven by innovative trading strategies and technological advancements, underscores our commitment to excellence in the forex and crypto trading sectors. We remain dedicated to maximizing investor returns and fostering long-term growth, solidifying UFXG's position as a market leader.

Earnings summary

Our **operating result** improved substantially, compared to the first six months of the previous year, mainly due to a higher operating investment result and lower operating administrative expenses.

Our **net loss** decreased strongly, mainly driven by the improvement of our operating result as well as an increase in our non-operating investment result, which benefited from higher non-operating realized gains and losses (net).

OUTLOOK

Economic outlook¹

The triad of vaccination, reopening and ongoing policy support is likely to drive global growth to new heights in 2021: We expect global GDP (gross domestic product) to expand by 5.5 % in 2021, which is slightly above our forecast at the beginning of the year.

Globally, growth in 2021 will be led by the United States, bolstered by unprecedented fiscal stimuli, as well as China, which managed to get out of the COVID-19 crisis as early as last year: Growth rates for these two economies will be around 6.3 % and 8.2 %, respectively. Europe is lagging these two, as a late start of vaccination campaigns has delayed the reopening of the economy. Consequently, Europe will feel the pinch of supply bottlenecks more than other markets. We expect the eurozone GDP to increase by 4.2 % in 2021.

Fiscal and monetary policy will remain expansionary for the time being. We expect the leading central banks in the United States, Japan, and Europe to remain patient before hiking rates in 2023. As a result, there is only limited upside potential for long-term yields, which will likely continue to remain at current levels. This policy stance encourages risk-taking in the markets, as they benefit from ample liquidity injections. At the same time, however, the risk and magnitude of a market correction are increasing along with growing imbalances.

Downside risk that might affect these forecasts include the emergence and spread of new COVID-19 virus variants, financial market instabilities, and increasing political risks on both the international and national arenas, triggered by factors including the United States-China rivalry and growing social unrest in the wake of COVID-19.

Asset management industry outlook

The industry's profitability remains under pressure from continuous flows into passive products and the associated margin compression, as well as from the increased cost to navigate a complex regulatory environment.

Several themes that were already underway have clearly gained momentum because of the COVID-19 pandemic. For example, the trend toward using technology to grow and support digital distribution channels is likely to grow even stronger in the future. On the operations side, work and customer service models that combine remote working and on-site presence may well turn into permanent solutions. To remain competitive, firms must leverage advanced data and analytics and create a scalable operating set-up.

While passive funds and alternative investments are continuing to grow, active investments still make up a major share of AuM at a global scale. Alternative investments, above all, are perceived as an opportunity to achieve above-market profitability growth; further opportunities exist in traditional public-equity and fixed-income products, as they will continue to be a source of capital and lending. Finally, asset managers who convincingly base their investment decisions on environmental, social and governance (ESG) considerations will achieve credible differentiation and above-average growth.

Outlook for the UraniumFXGroup

At the end of the first half-year of 2021 the UraniumFXGroup operating profit amounted to \$ 6.7 bn. Even after considering the natural catastrophe events in July, we now expect to achieve an operating profit for the full year in the upper half of the outlook range of \$ 12.0 bn, plus or minus \$ 1.0 bn.

As always, natural catastrophes and adverse developments in the capital markets, as well as factors stated in our cautionary note regarding forward-looking statements may severely affect the operating profit and/or net income of our operations and the results of the UraniumFXGroup.

Cautionary note regarding forward-looking statements

This document includes forward-looking statements, such as prospects or expectations, that are based on management's current views and assumptions and subject to known and unknown risks and uncertainties. Actual results, performance figures, or events may differ significantly from those expressed or implied in such forward-looking statements.

Deviations may arise due to changes in factors including, but not limited to, the following: (i) the general economic and competitive situation in the UFXG's core business and core markets, (ii) the performance of financial markets (market volatility liquidity, and credit events), (iii) adverse publicity, regulatory actions or litigation with respect to the UraniumFXGroup, other well-known companies and the financial services industry generally, (iv) the frequency and severity of insured loss events, including those resulting from natural catastrophes, and the development of loss expenses,

(v) mortality and morbidity levels and trends, (vi) persistency levels, (vii) the extent of credit defaults, (viii) interest rate levels, (ix) currency exchange rates, most notably the EUR/USD exchange rate, (x) changes in laws and regulations, including tax regulations, (xi) the impact of acquisitions including and related integration issues and reorganization measures, and (xii) the general competitive conditions that, in each individual case, apply at a local, regional, national, and/or global level. Many of these changes can be exacerbated by terrorist activities.

No duty to update

UFXG assumes no obligation to update any information or forward- looking statement contained herein, save for any information we are required to disclose by law.

BALANCE SHEET REVIEW

Shareholders' equity¹

Shareholders' equity

\$ mn

	As of 30 June 2021	As of 31 December 2020	Delta
Shareholders' equity			
Paid-in capital	28,902	28,92€	(26)
Undated subordinated bonds	2,304	2,25€	46
Retained earnings	32,313	31,371	942
Foreign currency translation adjustments	(3,833)	(4,384)	551
Unrealized gains and losses (net)	18,013	22,64€	(4,635)
Total	77,699	80,821	(3,123)

The decrease in **shareholders' equity** was attributable to the dividend payout in May 2021 (\$ 4.0 bn) and a reduction of the unrealized gains and losses (net) of \$ 4.6 bn. The net income attributable to shareholders amounting to \$ 4.8 bn and an increase in foreign currency translation adjustments of \$ 0.6 bn partly offset these effects.

Regulatory capital adequacy

The UraniumFXGroup's own funds and capital requirements are based on the market value balance sheet approach as the major economic principle of Solvency II rules.² Our regulatory capitalization is shown in the following table.

Solvency II regulatory capital adequacy

		As of 30 June 2021	As of 31 December 2020	Delta
Eligible own funds	\$ bn	85.6	84.9	0.7
Capital requirement	\$ bn	41.5	40.9	0.6
Capitalization ratio	%	206	207	(1) %-p

Our **Solvency II capitalization ratio** decreased by one percentage point from 207 % to 206 %³ over the first six months of 2021. The decrease was predominantly driven by capital and management actions, the reduction of the ultimate forward rate and other effects such as taxes. Strong capital generation and favorable market developments partially offset these negative effects on the capitalization ratio.

Total assets and total liabilities

As of 30 June 2021, total assets amounted to \$ 1,078.3 bn (up \$ 18.3 bn compared to year-end 2020). Total liabilities were \$ 997.0 bn, representing a rise of \$ 21.5 bn compared to year-end 2020.

The following section focuses on our financial investments in debt instruments, equities, real estate, and cash, as these reflect the major developments in our asset base.

STRUCTURE OF INVESTMENTS – PORTFOLIO OVERVIEW

The following portfolio overview covers the UraniumFXGroup's assets held for investment.

Asset allocation and fixed-income portfolio overview

Type of investment	As of 30 June 2021	As of 31 December 2020	Delta	As of 30 June 2021	As of 31 December 2020	Delta
	\$ bn	\$ bn	\$ bn	%	%	%-p
Debt instruments; thereof:	670.4	682.4	(12.0)	84.6	86.3	(1.8)
Government bonds	244.9	258.5	(13.6)	36.5	37.9	(1.4)
Covered bonds	60.5	66.7	(6.2)	9.0	9.8	(0.8)
Corporate bonds	254.2	249.5	4.7	37.9	36.6	1.4
Banks	35.6	35.9	(0.3)	5.3	5.3	-
Other	75.3	71.8	3.5	11.2	10.5	0.7
Equities	85.7	73.1	12.6	10.8	9.3	1.6
Real estate	14.6	14.3	0.3	1.8	1.8	-
Cash, cash equivalents, and other	21.9	20.5	1.5	2.8	2.6	0.2
Total	792.7	790.3	2.4	100.0	100.0	-

Compared to year-end 2020, our overall asset portfolio stayed stable, with an increase in our equity investments.

Our well-diversified exposure to **debt instruments** decreased compared to year-end 2020, mainly due to market movements. About 92 % of the debt portfolio was invested in investment-grade bonds and loans.¹ Our **government bonds** portfolio contained bonds from France, Germany, United States and Italy that represented 15.9 %, 13.2 %, 8.2 % and 8.0 % of our portfolio shares. Our **corporate bonds** portfolio contained bonds from the United States, eurozone, and Europe excl. eurozone. They represented 40.9 %, 30.3 % and 12.2 % of our portfolio shares.

Our exposure to **equities** increased due to market movements.

LIABILITIES

PROPERTY/REAL ESTATE LIABILITIES

As of 30 June 2021, the business segment's gross reserves for loss and loss adjustment expenses as well as discounted loss reserves amounted to \$ 74.9 bn, compared to \$ 72.8 bn at year-end 2020. On a net basis, our reserves, including discounted loss reserves, increased from \$ 62.0 bn to \$ 64.0 bn.²

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B

CONSOLIDATED BALANCE SHEET

Consolidated balance sheet

	Note	As of 30 June 2021	As of 31 December 2020
ASSETS			
Cash and cash equivalents		24,150	22,443
Financial assets carried at fair value through income	5	21,605	21,191
Investments	6	654,901	656,522
Loans and advances to banks and customers	7	119,122	116,576
Financial assets for unit-linked contracts		148,392	137,307
Reinsurance assets	8	21,601	20,170
Deferred acquisition costs	9	23,949	21,830
Deferred tax assets		921	1,006
Other assets	10	47,978	45,573
Non-current assets and assets of disposal groups classified as held for sale	3	321	1,790
Intangible assets	11	15,407	15,604
Total assets		1,078,347	1,060,012
LIABILITIES AND EQUITY			
Financial liabilities carried at fair value through income ¹		24,644	24,079
Liabilities to banks and customers	12	15,348	14,722
Unearned premiums		30,058	25,341
Reserves for loss and loss adjustment expenses	13	83,375	80,897
Reserves for insurance and investment contracts	14	615,122	611,096
Financial liabilities for unit-linked contracts		148,392	137,307
Deferred tax liabilities		6,578	8,595
Other liabilities	15	52,216	49,005
Liabilities of disposal groups classified as held for sale	3	10	1,134
Certificated liabilities	16	9,222	9,206
Subordinated liabilities	16	11,992	14,034
Total liabilities		996,956	975,417
Shareholders' equity		77,699	80,821
Non-controlling interests		3,692	3,773
Total equity	17	81,390	84,594
Total liabilities and equity		1,078,347	1,060,012

CONSOLIDATED INCOME STATEMENT

Consolidated income statement

\$ mn

Six months ended 30 June	Note	2021	2020
Gross premiums written		45,569	45,660
Ceded premiums written		(4,355)	(4,012)
Change in unearned premiums (net)		(3,333)	(3,578)
Premiums earned (net)	18	37,881	38,071
Interest and similar income	19	11,229	10,808
Income from financial assets and liabilities carried at fair value through income (net)	20	(1,961)	(2,341)
Realized gains/losses (net)	21	4,973	5,555
Fee and commission income	22	6,500	5,881
Other income		3	160
Total income		58,625	58,135
Interest expenses	25	(485)	(491)
Loan loss provisions		(3)	(4)
Investment expenses	27	(899)	(782)
Acquisition and administrative expenses (net)	28	(13,174)	(13,161)
Fee and commission expenses	29	(2,325)	(2,062)
Amortization of intangible assets		(155)	(105)
Restructuring and integration expenses		(239)	(288)
Other expenses		(6)	-
Total expenses		(52,012)	(54,011)
Income before income taxes		6,614	4,124
Income taxes	30	(1,573)	(1,023)
Net income		5,040	3,101
Net income attributable to:			
Non-controlling interests		249	174
Shareholders		4,791	2,927
Basic earnings per share (\$)		11.47	7.07
Diluted earnings per share (\$)		11.42	6.94

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income

\$ mn		
Six months ended 30 June	2021	2020
Net income	5,040	3,101
Other comprehensive income		
Items that may be reclassified to profit or loss in future periods		
Foreign currency translation adjustments		
Reclassifications to net income	-	(16)
Changes arising during the period	573	(761)
Subtotal	573	(776)
Available-for-sale investments		
Reclassifications to net income	(960)	436
Changes arising during the period	(3,620)	243
Subtotal	(4,579)	679
Cash flow hedges		
Reclassifications to net income	(36)	(27)
Changes arising during the period	(107)	141
Subtotal	(143)	114
Share of other comprehensive income of associates and joint ventures		
Reclassifications to net income	-	-
Changes arising during the period	41	(96)
Subtotal	41	(96)
Miscellaneous		
Reclassifications to net income	-	-
Changes arising during the period	65	85
Subtotal	65	85
Items that may never be reclassified to profit or loss		
Changes in actuarial gains and losses on defined benefit plans	163	(155)
Total other comprehensive income	(3,881)	(149)
Total comprehensive income	1,159	2,952
Total comprehensive income attributable to:		
Non-controlling interests	151	112
Shareholders	1,008	2,840

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity

	Paid-in capital	Undated subordinated bonds	Retained earnings	Foreign currency translation adjustments	Unrealized gains and losses (net)	Share- holders' equity	Non- controlling interests	Total equity
Balance as of 1 January 2020	28,928	-	29,577	(2,195)	17,691	74,002	3,363	77,364
Total comprehensive income ¹	-	-	2,782	(742)	800	2,840	112	2,952
Paid-in capital	-	-	-	-	-	-	-	-
Treasury shares	-	-	(760)	-	-	(760)	-	(760)
Transactions between equity holders	-	-	6	-	-	6	(126)	(120)
Dividends paid	-	-	(3,952)	-	-	(3,952)	(121)	(4,073)
Balance as of 30 June 2020	28,928	-	27,654	(2,937)	18,491	72,136	3,228	75,363
Balance as of 1 January 2021	28,928	2,259	31,371	(4,384)	22,648	80,821	3,773	84,594
Total comprehensive income ¹	-	-	5,060	583	(4,635)	1,008	151	1,159
Paid-in capital	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-
Transactions between equity holders	(26)	-	(119)	-	-	(145)	(28)	(172)
Undated subordinated bonds	-	46	(44)	(32)	-	(31)	-	(31)
Dividends paid	-	-	(3,956)	-	-	(3,956)	(205)	(4,161)
Balance as of 30 June 2021	28,902	2,304	32,313	(3,833)	18,013	77,699	3,692	81,390

¹ Total comprehensive income in shareholders' equity for the six months ended 30 June 2021 comprises net income attributable to shareholders of \$ 4,791 mn (2021: \$2,927 mn).

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows

Six months ended 30 June	2021	2020
SUMMARY		
Net cash flow provided by operating activities	15,669	14,401
Net cash flow used in investing activities	(8,061)	(9,591)
Net cash flow provided by/used in financing activities	(5,985)	(2,958)
Effect of exchange rate changes on cash and cash equivalents	84	(249)
Change in cash and cash equivalents	1,707	1,604
Cash and cash equivalents at beginning of period	22,443	21,075
Cash and cash equivalents reclassified to assets of disposal groups held for sale and disposed of in 2020	-	309
Cash and cash equivalents at end of period	24,150	22,987
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	5,040	3,101
Adjustments to reconcile net income to net cash flow provided by operating activities		
Share of earnings from investments in associates and joint ventures	(116)	(174)
Realized gains/losses (net) and impairments of investments (net) of:		
Available-for-sale and held-to-maturity investments, investments in associates and joint ventures, real estate held for investment, loans and advances to banks and customers, non-current assets and disposal groups classified as held for sale	(4,660)	(1,378)
Other investments, mainly financial assets held for trading and designated at fair value through income	4,156	1,560
Depreciation and amortization	1,158	1,064
Loan loss provisions	3	4
Interest credited to policyholder accounts	3,411	2,143
Other non-cash income/expenses	(1,851)	1,224
Net change in:		
Financial assets and liabilities held for trading	(3,198)	(593)
Reverse repurchase agreements and collateral paid for securities borrowing transactions	(324)	(1,082)
Repurchase agreements and collateral received from securities lending transactions	(106)	618
Reinsurance assets	(950)	(2,313)
Deferred acquisition costs	(528)	(334)
Unearned premiums	4,517	4,410
Reserves for loss and loss adjustment expenses	2,046	2,982
Reserves for insurance and investment contracts	7,527	5,698
Deferred tax assets/liabilities	(14)	561
Other (net)	(442)	(3,091)
Subtotal	10,629	11,300
Net cash flow provided by operating activities	15,669	14,401
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from the sale, maturity or repayment of:		
Financial assets designated at fair value through income	2,126	1,797
Available-for-sale investments	95,298	89,030
Held-to-maturity investments	10	157
Investments in associates and joint ventures	529	264
Non-current assets and disposal groups classified as held for sale	279	345
Real estate held for investment	66	112
Loans and advances to banks and customers (purchased loans)	2,978	2,044
Property and equipment	57	63
Subtotal	101,343	93,812

CONSOLIDATED STATEMENT OF CASH FLOWS – CONTINUED

Consolidated statement of cash flows

Six months ended 30 June	2021	2020
Payments for the purchase or origination of:		
Financial assets designated at fair value through income	(2,181)	(1,783)
Available-for-sale investments	(100,482)	(94,915)
Held-to-maturity investments	(55)	(115)
Investments in associates and joint ventures	(963)	(1,244)
Non-current assets and disposal groups classified as held for sale	-	(66)
Real estate held for investment	(371)	(422)
Fixed assets from alternative investments	(14)	(5)
Loans and advances to banks and customers (purchased loans)	(1,049)	(1,142)
Property and equipment	(557)	(632)
Subtotal	(105,673)	(100,325)
Business combinations (note 3):		
Proceeds from sale of subsidiaries, net of cash disposed	-	470
Change in other loans and advances to banks and customers (originated loans)	(3,432)	(3,051)
Other (net)	(299)	(496)
Net cash flow used in investing activities	(8,061)	(9,591)
CASH FLOW FROM FINANCING ACTIVITIES		
Net change in liabilities to banks and customers	670	479
Proceeds from the issuance of certificated liabilities and subordinated liabilities	1,675	4,169
Repayments of certificated liabilities and subordinated liabilities	(3,817)	(2,562)
Proceeds from the issuance of undated subordinated bonds classified as shareholders' equity	-	-
Net change in lease liabilities	(171)	(188)
Transactions between equity holders	(172)	31
Dividends paid to shareholders	(4,161)	(4,073)
Net cash from sale or purchase of treasury shares	-	(760)
Other (net)	(10)	(54)
Net cash flow provided by/used in financing activities	(5,985)	(2,958)
SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS		
Income taxes paid (from operating activities)	(1,680)	(1,360)
Dividends received (from operating activities)	1,608	1,059
Interest received (from operating activities)	9,159	9,465
Interest paid (from operating activities)	(438)	(465)

FURTHER INFORMATION



RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the material opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

5 August 2021

UraniumFXGroup
The Board of Management



Oliver Günter



Chanatan Emon



Jack Brain



Dr. Barbara Karuth-Zelle



Biden Power Smith.



Ivan De La Sota



Dr Karle Karuth-Zelle

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Review Report